

COUNTY OF BLAND, VIRGINIA

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2024

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

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INTRODUCTORY SECTION

COUNTY OF BLAND, VIRGINIA

BOARD OF SUPERVISORS

| | | |
|---------------------------|-----------------------|----------------|
| Randy Johnson, Vice-Chair | Keith Costello, Chair | Stephen Kelley |
| | Patrick Groseclose | |

COUNTY SCHOOL BOARD

| | | |
|---------------------|---------------------|--------------|
| JP Agee, Vice-Chair | Dave Andrews, Chair | Duane Bailey |
| | Phillip Buttery | |

SOCIAL SERVICES BOARD

| | | |
|--------------------------|------------------------|-----------------------|
| Melinda Litton, Co-Chair | Michelle Farmer, Chair | Dee Dee Hoosier |
| Stephen Kelley | | Krystal Carver Perdue |

OTHER OFFICIALS

| | |
|-----------------------------------|-----------------|
| Clerk of the Circuit Court | Lisa Hall |
| Commonwealth's Attorney | Patrick White |
| Commissioner of the Revenue | Cindy U. Wright |
| Treasurer | Adam Kidd |
| Sheriff | Jason Ramsey |
| Superintendent of Schools | Laura Radford |
| Director of Social Services | Alicia Adkins |
| County Administrator | Cameron Burton |
| County Attorney | Paul Cassell |

FINANCIAL SECTION



Independent Auditors' Report

**To the Board of Supervisors
County of Bland, Virginia
Bland, Virginia**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Bland, 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 business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Bland, Virginia, as of and for the year ended June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County of Bland, 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 the County of Bland, 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 Bland, 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 Bland, Virginia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024, on our consideration of the County of Bland, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County of Bland, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Bland, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Blacksburg, Virginia
December 20, 2024

Basic Financial Statements

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

| | Primary Government | | | Component Units | | |
|--------------------------------------------------------------|----------------------------|-----------------------------|---------------|-----------------|--------------------------------------------|-----------------------|
| | Governmental Activities | Business-type Activities | Total | School Board | Economic Development Authority (EDA) | Wireless Authority |
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 6,837,223 | \$ 121,169 | \$ 6,958,392 | \$ 3,762,935 | \$ - | \$ - |
| Cash in custody of others | - | - | - | 338,962 | 683,146 | - |
| Receivables (net of allowance for uncollectibles): | | | | | | |
| Taxes receivable | 5,881,865 | - | 5,881,865 | - | - | - |
| Accounts receivable | 222,401 | 149,680 | 372,081 | - | - | - |
| Other receivable | 267,701 | - | 267,701 | - | - | - |
| Loans receivable | - | - | - | - | 142,018 | - |
| Lease receivable | 13,283 | - | 13,283 | - | - | - |
| Due from primary government | - | - | - | 51,263 | 140,000 | - |
| Due from other governmental units | 1,187,483 | - | 1,187,483 | 310,050 | - | - |
| Inventories | 10,197 | - | 10,197 | - | - | - |
| Prepaid items | 78,439 | - | 78,439 | 163,093 | - | - |
| Net pension asset | - | - | - | 114,728 | - | - |
| Restricted assets: | | | | | | |
| Cash and cash equivalents | - | 278,846 | 278,846 | - | - | - |
| Capital assets: | | | | | | |
| Capital assets, not being depreciated/amortized | 329,014 | 1,072,498 | 1,401,512 | 1,546,132 | 420,159 | - |
| Capital assets, net of accumulated depreciation/amortization | 5,421,368 | 15,716,304 | 21,137,672 | 2,918,671 | 1,421,620 | 253,493 |
| Total Assets | \$ 20,248,974 | \$ 17,338,497 | \$ 37,587,471 | \$ 9,205,834 | \$ 2,806,943 | \$ 253,493 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Pension related items | \$ 370,557 | \$ 33,306 | \$ 403,863 | \$ 1,404,672 | \$ - | \$ - |
| OPEB related items | 51,170 | - | 51,170 | 195,298 | - | - |
| Total Deferred Outflows of Resources | \$ 421,727 | \$ 33,306 | \$ 455,033 | \$ 1,599,970 | \$ - | \$ - |
| LIABILITIES | | | | | | |
| Accounts payable and other accrued liabilities | \$ 178,210 | \$ 24,366 | \$ 202,576 | \$ 727,475 | \$ 380,000 | \$ 273 |
| Unearned revenue | 60,000 | - | 60,000 | - | - | - |
| Customers' deposits | - | 9,600 | 9,600 | - | - | - |
| Accrued interest payable | 12,683 | 12,730 | 25,413 | - | 1,454 | - |
| Due to component unit | 191,263 | - | 191,263 | - | - | - |
| Noncurrent liabilities: | | | | | | |
| Due within one year | 418,080 | 236,192 | 654,272 | 67,814 | 18,946 | - |
| Due in more than one year | 3,809,525 | 7,790,853 | 11,600,378 | 5,445,600 | 479,823 | - |
| Total Liabilities | \$ 4,669,761 | \$ 8,073,741 | \$ 12,743,502 | \$ 6,240,889 | \$ 880,223 | \$ 273 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Deferred revenue - property taxes | \$ 5,165,141 | \$ - | \$ 5,165,141 | \$ - | \$ - | \$ - |
| Leases related items | 12,592 | - | 12,592 | - | - | - |
| Pension related items | 287,306 | 27,284 | 314,590 | 651,365 | - | - |
| OPEB related items | 33,568 | - | 33,568 | 229,341 | - | - |
| Total Deferred Inflows of Resources | \$ 5,498,607 | \$ 27,284 | \$ 5,525,891 | \$ 880,706 | \$ - | \$ - |
| NET POSITION | | | | | | |
| Net investment in capital assets | \$ 4,187,670 | \$ 8,846,538 | \$ 13,034,208 | \$ 4,464,803 | \$ 1,343,010 | \$ 253,493 |
| Restricted: | | | | | | |
| Pension asset | - | - | - | 114,728 | - | - |
| Asset forfeiture funds | 32,924 | - | 32,924 | - | - | - |
| Broadband expansion project-ARC | 2,500 | - | 2,500 | - | - | - |
| Opioid settlement funds | 331,056 | - | 331,056 | - | - | - |
| Debt service and bond covenants | - | 278,846 | 278,846 | - | - | - |
| School cafeteria | - | - | - | 148,326 | - | - |
| School activity funds | - | - | - | 190,636 | - | - |
| School construction funds | - | - | - | 1,047,694 | - | - |
| Unrestricted (deficit) | 5,948,183 | 145,394 | 6,093,577 | (2,281,978) | 583,710 | (273) |
| Total Net Position | \$ 10,502,333 | \$ 9,270,778 | \$ 19,773,111 | \$ 3,684,209 | \$ 1,926,720 | \$ 253,220 |

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

County of Bland, 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 | | |
| | | | | | Governmental Activities | Business-type Activities | Component Units |
| | | | | | Total | School Board | EDA |
| PRIMARY GOVERNMENT: | | | | | | | |
| Governmental activities: | | | | | | | |
| General government administration | \$ 1,474,579 | \$ 3,657 | \$ 279,226 | \$ - | \$ (1,191,696) | | |
| Judicial administration | 571,373 | 1,617 | 468,789 | - | (100,967) | | |
| Public safety | 2,705,722 | 549,518 | 910,342 | - | (1,245,862) | | |
| Public works | 1,344,609 | 412,306 | 12,513 | - | (919,790) | | |
| Health and welfare | 1,926,587 | - | 1,327,287 | - | (599,300) | | |
| Education | 2,928,176 | - | - | - | (2,928,176) | | |
| Parks, recreation, and cultural | 524,935 | 11,293 | 70,290 | 101,181 | (342,171) | | |
| Community development | 931,499 | 862 | 362,191 | - | (568,446) | | |
| Interest on long-term debt | 34,999 | - | - | - | (34,999) | | |
| Total governmental activities | \$ 12,442,479 | \$ 979,253 | \$ 3,430,638 | \$ 101,181 | \$ (7,931,407) | | |
| Business-type activities: | | | | | | | |
| Service Authority | \$ 1,605,558 | \$ 838,273 | \$ - | \$ 100,000 | \$ (667,285) | | |
| Total primary government | \$ 14,048,037 | \$ 1,817,526 | \$ 3,430,638 | \$ 201,181 | \$ (8,598,692) | | |
| COMPONENT UNITS: | | | | | | | |
| School Board | \$ 11,392,772 | \$ 336,057 | \$ 8,707,366 | \$ - | \$ (2,349,349) | \$ - | \$ - |
| Economic Development Authority (EDA) | 485,207 | - | - | - | - | (485,207) | - |
| Wireless Authority | 15,491 | - | - | - | - | - | (15,491) |
| Total component units | \$ 11,893,470 | \$ 336,057 | \$ 8,707,366 | \$ - | \$ (2,349,349) | \$ (485,207) | \$ (15,491) |
| General revenues and transfers: | | | | | | | |
| General property taxes | \$ 5,612,363 | \$ - | \$ 5,612,363 | \$ - | \$ - | \$ - | \$ - |
| Other local taxes: | | | | | | | |
| Local sales and use taxes | 571,790 | - | - | - | 571,790 | - | - |
| Consumers' utility taxes | 165,031 | - | - | - | 165,031 | - | - |
| Restaurant food taxes | 355,587 | - | - | - | 355,587 | - | - |
| Motor vehicle licenses | 119,529 | - | - | - | 119,529 | - | - |
| Franchise license tax | 31,609 | - | - | - | 31,609 | - | - |
| Consumption taxes | 20,185 | - | - | - | 20,185 | - | - |
| Taxes on recordations and wills | 36,875 | - | - | - | 36,875 | - | - |
| Other local taxes | 155,106 | - | - | - | 155,106 | - | - |
| Unrestricted revenues from use of money | 186,652 | - | - | - | 186,652 | 90,366 | 8,166 |
| Miscellaneous | 546,649 | - | - | - | 546,649 | 358,582 | 32,200 |
| Contributions from Bland County | - | - | - | - | - | 2,918,833 | 373,063 |
| Grants and contributions not restricted to specific programs | 1,450,278 | - | - | - | 1,450,278 | - | - |
| Transfers | (369,505) | - | - | - | 369,505 | - | - |
| Total general revenues and transfers | \$ 8,882,149 | \$ 388,964 | \$ 9,271,113 | \$ 3,367,781 | \$ 413,429 | \$ 5,370 | \$ 5,370 |
| Change in net position | \$ 950,742 | \$ (278,321) | \$ 672,421 | \$ 1,018,432 | \$ (71,778) | \$ (10,121) | \$ (10,121) |
| Net position - beginning | 9,551,591 | 9,549,099 | 19,100,690 | 2,665,777 | 1,998,498 | 263,341 | 263,341 |
| Net position - ending | \$ 10,502,333 | \$ 9,270,778 | \$ 19,773,111 | \$ 3,684,209 | \$ 1,926,720 | \$ 253,220 | \$ 253,220 |

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

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

| | <u>General</u> |
|---------------------------------------------------------------------|----------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 6,837,223 |
| Receivables (net of allowance for uncollectibles): | |
| Taxes receivable | 5,881,865 |
| Accounts receivable | 222,401 |
| Other receivable | 267,701 |
| Leases receivable | 13,283 |
| Due from other governmental units | 1,187,483 |
| Inventories | 10,197 |
| Prepaid items | 78,439 |
| Total assets | <u>\$ 14,498,592</u> |
| LIABILITIES | |
| Accounts payable | \$ 178,210 |
| Unearned revenue | 60,000 |
| Due to component unit | 191,263 |
| Total liabilities | <u>\$ 429,473</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Unavailable revenue - property taxes | \$ 5,890,855 |
| Unavailable revenue - opioid settlement | 240,873 |
| Leases related items | 12,592 |
| Total deferred inflows of resources | <u>\$ 6,144,320</u> |
| FUND BALANCES | |
| Nonspendable: | |
| Prepaid items | \$ 78,439 |
| Inventories | 10,197 |
| Restricted: | |
| Asset forfeiture funds | 32,924 |
| Broadband expansion project-ARC | 2,500 |
| Opioid settlement | 90,183 |
| Committed: | |
| Courthouse maintenance | 11,483 |
| Courtroom security | 71,430 |
| Library Building | 169,443 |
| Assigned: | |
| Patrol fund | 13,624 |
| Capital improvements | 278,739 |
| Road improvements | 6,162 |
| General reserves | 2,376,403 |
| Unassigned | 4,783,272 |
| Total fund balances | <u>\$ 7,924,799</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 14,498,592</u> |

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

County of Bland, 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 | \$ | 7,924,799 |
|------------------------------------------------------------------------|----|-----------|

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

| | | |
|-------------------------------------------------|--------------------|-----------|
| Capital assets, not being depreciated/amortized | \$ 329,014 | |
| Capital assets being depreciated/amortized | 13,111,441 | |
| Accumulated depreciation/amortization | <u>(7,690,073)</u> | 5,750,382 |

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

| | | |
|-----------------------------------------|----------------|---------|
| Unavailable revenue - property taxes | \$ 725,714 | |
| Unavailable revenue - opioid settlement | <u>240,873</u> | 966,587 |

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

| | | |
|-----------------------|---------------|---------|
| Pension related items | \$ 370,557 | |
| OPEB related items | <u>51,170</u> | 421,727 |

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

| | | |
|----------------------------------------------------------------|------------------|-------------|
| Lease revenue bonds | \$ (1,410,000) | |
| Unamortized bond premium | (144,574) | |
| Lease liabilities | (8,138) | |
| Net OPEB liabilities | (1,090,846) | |
| Net pension liability | (928,445) | |
| Compensated absences | (329,891) | |
| Accrued interest payable | (12,683) | |
| Other long-term liabilities-Virginia Transportation Commission | <u>(315,711)</u> | (4,240,288) |

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

| | | |
|-----------------------|-----------------|------------------|
| Pension related items | \$ (287,306) | |
| OPEB related items | <u>(33,568)</u> | <u>(320,874)</u> |

| | | |
|-----------------------------------------|----|--------------------------|
| Net position of governmental activities | \$ | <u><u>10,502,333</u></u> |
|-----------------------------------------|----|--------------------------|

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

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

| | <u>General</u> |
|-----------------------------------------------------------|----------------------------|
| REVENUES | |
| General property taxes | \$ 5,649,360 |
| Other local taxes | 1,455,712 |
| Permits, privilege fees, and regulatory licenses | 23,100 |
| Fines and forfeitures | 509,739 |
| Revenue from the use of money and property | 190,309 |
| Charges for services | 442,757 |
| Miscellaneous | 513,256 |
| Recovered costs | 332,134 |
| Intergovernmental: | |
| Commonwealth | 3,593,388 |
| Federal | 1,388,709 |
| Total revenues | <u>\$ 14,098,464</u> |
| EXPENDITURES | |
| Current: | |
| General government administration | \$ 1,405,176 |
| Judicial administration | 610,868 |
| Public safety | 2,500,961 |
| Public works | 1,320,599 |
| Health and welfare | 1,864,138 |
| Education | 2,928,176 |
| Parks, recreation, and cultural | 608,452 |
| Community development | 1,039,167 |
| Capital projects | 728 |
| Debt service: | |
| Principal retirement | 149,688 |
| Interest and other fiscal charges | 53,735 |
| Total expenditures | <u>\$ 12,481,688</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ 1,616,776</u> |
| OTHER FINANCING SOURCES (USES) | |
| Transfers in | \$ 76,101 |
| Transfers out | (445,606) |
| Total other financing sources (uses) | <u>\$ (369,505)</u> |
| Net change in fund balances | \$ 1,247,271 |
| Fund balances - beginning | 6,677,528 |
| Fund balances - ending | <u><u>\$ 7,924,799</u></u> |

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

County of Bland, 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

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

| | | |
|--------------------------------------------------------|----|-----------|
| Net change in fund balances - total governmental funds | \$ | 1,247,271 |
|--------------------------------------------------------|----|-----------|

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/amortization expense. This is the detail of items supporting this adjustment:

| | | | |
|-------------------------------------------|------------------|--|----------|
| Capital asset additions | \$ 434,133 | | |
| Depreciation expense/amortization expense | <u>(526,391)</u> | | (92,258) |

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

| | | | |
|-------------------------------------------------|---------------|--|---------|
| Change in unavailable revenue-property taxes | \$ (36,997) | | |
| Change in unavailable revenue-opioid settlement | <u>33,393</u> | | (3,604) |

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.

| | | | |
|------------------------|--------------|--|---------|
| Payments of principal: | | | |
| Lease revenue bonds | \$ 140,000 | | |
| Lease liabilities | <u>9,688</u> | | 149,688 |

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 | \$ (35,353) | | |
| Change in pension related items | 201,265 | | |
| Change in OPEB related items | (535,003) | | |
| Change in accrued interest payable | 1,212 | | |
| Amortization of bond premium | <u>17,524</u> | | <u>(350,355)</u> |

| | | |
|---------------------------------------------------|----|----------------|
| Change in net position of governmental activities | \$ | <u>950,742</u> |
|---------------------------------------------------|----|----------------|

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

County of Bland, Virginia
Statement of Net Position
Proprietary Funds
June 30, 2024

| | Enterprise Fund | Component Units | |
|----------------------------------------------------------|------------------------------|---------------------|-------------------------------|
| | <u>Service Authority</u> | <u>EDA</u> | <u>Wireless Authority</u> |
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 121,169 | \$ - | \$ - |
| Cash in custody of others | - | 683,146 | - |
| Loans receivable | - | 142,018 | - |
| Accounts receivable, net of allowance for uncollectibles | 149,680 | - | - |
| Due from primary government | - | 140,000 | - |
| Total current assets | <u>\$ 270,849</u> | <u>\$ 965,164</u> | <u>\$ -</u> |
| Noncurrent assets: | | | |
| Restricted assets: | | | |
| Cash and cash equivalents | \$ 278,846 | \$ - | \$ - |
| Capital assets: | | | |
| Capital assets, not being depreciated | \$ 1,072,498 | \$ 420,159 | \$ - |
| Capital assets, net of accumulated depreciation | 15,716,304 | 1,421,620 | 253,493 |
| Total capital assets | <u>\$ 16,788,802</u> | <u>\$ 1,841,779</u> | <u>\$ 253,493</u> |
| Total noncurrent assets | <u>\$ 17,067,648</u> | <u>\$ 1,841,779</u> | <u>\$ 253,493</u> |
| Total assets | <u>\$ 17,338,497</u> | <u>\$ 2,806,943</u> | <u>\$ 253,493</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension related items | \$ 33,306 | \$ - | \$ - |
| Total deferred outflows of resources | <u>\$ 33,306</u> | <u>\$ -</u> | <u>\$ -</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 24,366 | \$ 380,000 | \$ 273 |
| Customers' deposits | 9,600 | - | - |
| Accrued interest payable | 12,730 | 1,454 | - |
| Compensated absences - current portion | 24,179 | - | - |
| Bonds payable - current portion | 212,013 | 18,946 | - |
| Total current liabilities | <u>\$ 282,888</u> | <u>\$ 400,400</u> | <u>\$ 273</u> |
| Noncurrent liabilities: | | | |
| Bonds payable - net of current portion | \$ 7,730,251 | \$ 479,823 | \$ - |
| Compensated absences - net of current portion | 8,058 | - | - |
| Net pension liability | 52,544 | - | - |
| Total noncurrent liabilities | <u>\$ 7,790,853</u> | <u>\$ 479,823</u> | <u>\$ -</u> |
| Total liabilities | <u>\$ 8,073,741</u> | <u>\$ 880,223</u> | <u>\$ 273</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension related items | \$ 27,284 | \$ - | \$ - |
| Total deferred inflows of resources | <u>\$ 27,284</u> | <u>\$ -</u> | <u>\$ -</u> |
| NET POSITION | | | |
| Net investment in capital assets | \$ 8,846,538 | \$ 1,343,010 | \$ 253,493 |
| Restricted for debt service and bond covenants | 278,846 | - | - |
| Unrestricted | 145,394 | 583,710 | (273) |
| Total net position | <u>\$ 9,270,778</u> | <u>\$ 1,926,720</u> | <u>\$ 253,220</u> |

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

County of Bland, Virginia
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2024

| | Enterprise Fund Service <u>Authority</u> | Component Units | |
|----------------------------------------------------------|---------------------------------------------------|---------------------|-------------------------------|
| | | <u>EDA</u> | <u>Wireless Authority</u> |
| OPERATING REVENUES | | | |
| Charges for services: | | | |
| Water revenues | \$ 408,955 | \$ - | \$ - |
| Sewer revenues | 399,350 | - | - |
| Connection fees | 6,165 | - | - |
| Penalties | 23,803 | - | - |
| Other revenues | 12,003 | - | - |
| Miscellaneous | 5,983 | 32,200 | - |
| Total operating revenues | <u>\$ 856,259</u> | <u>\$ 32,200</u> | <u>\$ -</u> |
| OPERATING EXPENSES | | | |
| Salaries and fringes | \$ 217,693 | \$ 1,100 | \$ 722 |
| Utilities | 108,158 | - | 2,043 |
| Purchase of chemicals | 22,719 | - | 2,676 |
| Purchase of water | 235,398 | - | - |
| Maintenance and repairs | 99,151 | - | - |
| Office expense | 4,861 | 4,517 | - |
| Insurance | 11,022 | - | 125 |
| Permits | 5,307 | - | - |
| Professional services | 4,230 | - | - |
| Miscellaneous | 9,086 | 289 | - |
| Economic incentive | - | 380,000 | - |
| Small business grants | - | 4,714 | - |
| Depreciation | 704,615 | 76,787 | 9,925 |
| Total operating expenses | <u>\$ 1,422,240</u> | <u>\$ 467,407</u> | <u>\$ 15,491</u> |
| Operating income (loss) | <u>\$ (565,981)</u> | <u>\$ (435,207)</u> | <u>\$ (15,491)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Investment income | \$ 1,473 | \$ 8,166 | \$ - |
| Interest expense | (183,318) | (17,800) | - |
| Total nonoperating revenues (expenses) | <u>\$ (181,845)</u> | <u>\$ (9,634)</u> | <u>\$ -</u> |
| Income before contributions and transfers | <u>\$ (747,826)</u> | <u>\$ (444,841)</u> | <u>\$ (15,491)</u> |
| Capital contributions and construction grants | \$ 100,000 | \$ - | \$ - |
| Contributions from County | - | 373,063 | 5,370 |
| Transfers in (contributions from primary government) | 445,606 | - | - |
| Transfers out (project repayments to primary government) | (76,101) | - | - |
| Change in net position | <u>\$ (278,321)</u> | <u>\$ (71,778)</u> | <u>\$ (10,121)</u> |
| Net position - beginning | 9,549,099 | 1,998,498 | 263,341 |
| Net position - ending | <u>\$ 9,270,778</u> | <u>\$ 1,926,720</u> | <u>\$ 253,220</u> |

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

County of Bland, Virginia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

| | Enterprise Fund | Component Units | |
|-----------------------------------------------------------------------------------------------------------|------------------------------|---------------------|-------------------------------|
| | <u>Service Authority</u> | <u>EDA</u> | <u>Wireless Authority</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers and users | \$ 824,312 | \$ 32,200 | \$ - |
| Payments to suppliers | (495,522) | 5,480 | (4,648) |
| Payments to and for employees | (204,072) | (1,100) | (722) |
| Net cash provided by (used for) operating activities | <u>\$ 124,718</u> | <u>\$ 36,580</u> | <u>\$ (5,370)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Transfers to primary government | \$ (76,101) | \$ - | \$ - |
| Contributions from primary government or component unit | 445,606 | 233,063 | 5,370 |
| Net cash provided by (used for) noncapital financing activities | <u>\$ 369,505</u> | <u>\$ 233,063</u> | <u>\$ 5,370</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Additions to capital assets | \$ (289,697) | \$ (40,466) | \$ - |
| Principal payments on bonds | (206,926) | (18,241) | - |
| Capital contributions received | 100,174 | - | - |
| Interest expense | (183,791) | (17,854) | - |
| Net cash provided by (used for) capital and related financing activities | <u>\$ (580,240)</u> | <u>\$ (76,561)</u> | <u>\$ -</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Principal payments received on loan receivable | \$ - | \$ 9,184 | \$ - |
| Interest income | 1,473 | 8,166 | - |
| Net cash provided by (used for) investing activities | <u>\$ 1,473</u> | <u>\$ 17,350</u> | <u>\$ -</u> |
| Net increase (decrease) in cash and cash equivalents | \$ (84,544) | \$ 210,432 | \$ - |
| Cash and cash equivalents - beginning (including restricted cash and cash equivalents of \$211,661) | 484,559 | 472,714 | - |
| Cash and cash equivalents - ending (including restricted cash and cash equivalents of \$242,482) | <u>\$ 400,015</u> | <u>\$ 683,146</u> | <u>\$ -</u> |
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities: | | | |
| Operating income (loss) | <u>\$ (565,981)</u> | <u>\$ (435,207)</u> | <u>\$ (15,491)</u> |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | |
| Depreciation | \$ 704,615 | \$ 76,787 | \$ 9,925 |
| Loan receivable forgiveness shown as economic incentive | - | 15,000 | - |
| (Increase) decrease in accounts receivable | (31,947) | - | - |
| (Increase) decrease in deferred outflows of resources | 34,810 | - | - |
| Increase (decrease) in accounts payable | 4,410 | 380,000 | 196 |
| Increase (decrease) compensated absences | 2,578 | - | - |
| Increase (decrease) in net pension liability | (2,054) | - | - |
| Increase (decrease) in deferred inflows of resources | (21,713) | - | - |
| Total adjustments | <u>\$ 690,699</u> | <u>\$ 471,787</u> | <u>\$ 10,121</u> |
| Net cash provided by (used for) operating activities | <u>\$ 124,718</u> | <u>\$ 36,580</u> | <u>\$ (5,370)</u> |
| Noncash capital activities: | | | |
| Loan receivable forgiveness shown as economic incentive | \$ - | \$ 15,000 | \$ - |

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

County of Bland, Virginia
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2024

| | <u>Custodial Fund Special Welfare</u> |
|----------------------------------|---------------------------------------------------|
| ASSETS | |
| Cash and cash equivalents | <u>\$ 7,459</u> |
| NET POSITION | |
| Restricted for: | |
| Held for social services clients | <u>\$ 7,459</u> |

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

County of Bland, Virginia
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
June 30, 2024

| | <u>Custodial Fund Special Welfare</u> |
|---------------------------------------------------|---------------------------------------------------|
| ADDITIONS | |
| Special welfare collections | \$ 49,923 |
| Interest | 12 |
| Total additions | <u>\$ 49,935</u> |
| DEDUCTIONS | |
| Special welfare expenditures | <u>\$ 50,198</u> |
| Net increase (decrease) in fiduciary net position | <u>\$ (263)</u> |
| Net position - beginning | <u>7,722</u> |
| Net position - ending | <u><u>\$ 7,459</u></u> |

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

COUNTY OF BLAND, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 1-Summary of Significant Accounting Policies:

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

A. Financial Reporting Entity

The County of Bland, Virginia (government) is a municipal corporation governed by an elected four-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 - The Bland County Service Authority provides water and sewer service to the County. The Service Authority is fiscally dependent upon the County. In addition, the County Board appoints the Service Authority's Board. A separate report is not issued for the Authority.

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

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

The Bland County Economic Development Authority encourages and provides financing for economic development in the County. The Economic Development Authority board members are appointed by the Board of Supervisors. The Economic Development Authority is fiscally dependent upon the County. The Economic Development Authority is presented as an enterprise fund type. A separate report is not issued for the Economic Development Authority.

The Bland County Wireless Authority provides wireless internet services in the County. The Wireless Authority board members are appointed by the Board of Supervisors. The Wireless Authority is fiscally dependent upon the County. The Wireless Authority is presented as an enterprise fund type. A separate report is not issued for the Wireless Authority.

Related Organizations - The County has no related organizations.

Jointly Governed Organizations - The County of Bland and the County of Wythe participate in supporting the Wythe-Bland Service Authority. The respective governing bodies of the jurisdictions appoint the governing body of this organization. The Service Authority generates revenue through service charges for refuse disposal.

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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 as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 60 days after year-end are reflected as unavailable revenues.

Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the state or utility, which is generally in the month preceding receipt by the County.

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

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for and reports all financial resources of the general government, except those required to be accounted for in other funds. The general fund includes the activities of the Law Library Fund, the E-911 Fund, Federal Asset Forfeiture Funds, the Social Services Fund, the CSA Fund, the Selective Enforcement Fund, the Recreation Fund, Courthouse Maintenance Fund, Patrol Fund, the Courtroom Security Fund, Sheriff Asset Forfeiture Fund, Commonwealth's Attorney Asset Forfeiture, General Fund Reserves, Sheriff Dare Funds, Capital Improvement Fund, Broadband Expenditure Funds, Road Improvements, Rocky Gap Greenway Project, Library Building Fund, Industrial Park Expenditure Fund, and Indian Village.

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 for 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 contests, club dues, fundraisers, etc., and from any and all activities of the individual schools.

The government reports the following major proprietary funds:

The Bland County Service Authority provides water service to the County and is presented as a blended component unit.

Additionally, the government reports the following fund types:

Fiduciary funds (trust and custodial funds) account for assets held by the government in a trustee capacity or as agent or custodian for individuals, private organizations, other governmental units, or other funds. The Custodial fund consists of the special welfare fund.

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

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

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

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

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. The principal operating revenues of the County's enterprise fund are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expense, and depreciation on capital assets. 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 and amounts in demand deposits, and short-term investments with a maturity date within three months of the date acquired by the government. For purposes of the statement of cash flows, the government's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

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.

3. Receivables and Payables

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

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

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)

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 December 5th. Personal property taxes are due and collectible annually on December 5th. The County bills and collects its own property taxes.

5. Allowance for Uncollectible Accounts

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$208,947 at June 30, 2024. The allowance consists of delinquent taxes in the amount of \$109,052, delinquent garbage bills of \$86,854, and delinquent water and sewer bills of \$13,041.

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. Capital Assets

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

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

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

| Assets | Years |
|-------------------------------|--------------|
| Buildings and improvements | 20-40 |
| Utility plant | 20-40 |
| Infrastructure | 20-40 |
| Machinery and equipment | 4-30 |
| Lease machinery and equipment | 4 |
| Land improvements | 30 |

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

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

8. 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 (expenditure/expense) until then. The County has one item that qualifies for reporting in this category. It is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources 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 several 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. The property tax amount is comprised of uncollected property taxes due prior to June 30th, 2nd half installments levied during the fiscal year but due after June 30th, and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments are reported as deferred inflows of resources. In addition, certain items related to pension, OPEB, and leases are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

9. 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. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement. 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.

10. Pensions

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

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

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

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

11. Other Postemployment Benefits (OPEB) (Continued)

In addition to the VRS related OPEB, the County and School Board allow 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 toward their health insurance cost until the retiree is Medicare eligible.

12. 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.

13. Fund Balance

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

- Nonspendable fund balance - amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance - amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers;
- Committed fund balance - amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the Board of Supervisors prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Board adopts another ordinance to remove or revise the limitation;
- Assigned fund balance - amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments general only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an 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 County's highest decision-making level is the Board of Supervisors. Action from the Board of Supervisors is required to commit or release funds from commitment.

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

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

14. Fund Balance (Continued)

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

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.

15. Net Position

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

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

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

16. Leases

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

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 recognizes 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.

Lessor

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

Key Estimates and Judgments

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

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

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

17. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

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.

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 March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the function level. Only the Board of Supervisors can revise the appropriation for each department or category. The Board of Supervisors authorizes transfers of budgeted amounts within the general government departments and the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund. The School Operating 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.

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2024, the County did not have expenditures in excess of appropriations.

C. Deficit Fund Equity

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

Note 3-Deposits and Investments:

A. Deposits

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 3-Deposits and Investments: (Continued)

B. Investments

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

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County and its discretely presented component unit has an investment policy for custodial credit risk included within the County investment policy. The County’s investments on June 30, 2024 were held in the County’s name by the County’s custodial bank. The County’s investments are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Credit Risk of Debt Securities

The County’s rated debt investments as of June 30, 2024, were rated by Standard & Poor’s and/or an equivalent national rating organization and the ratings are presented below using the Standard & Poor’s rating scale.

| County's Rated Debt Investments' Values | |
|-----------------------------------------|----------------------|
| Rated Debt Investments | Fair Quality Ratings |
| | AAAm |
| VIP (Virginia Investment Pool) | \$ 1,287,932 |
| Total | \$ 1,287,932 |

Interest Rate Risk

The County has not adopted an investment policy for interest rate risk. Investments subject to interest rate risk are presented below along with their corresponding maturities.

| Investment Maturities (in years) | |
|-----------------------------------------|--------------|
| Investment Type | Fair Value |
| VACO/VML Virginia Investment Pool (VIP) | \$ 1,287,932 |
| Total | \$ 1,287,932 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 3-Deposits and Investments: (Continued)****B. Investments (Continued)**Concentration of Credit Risk

On June 30, 2024, the County did not have any investments meeting the GASB 40 definition requiring concentration of credit risk disclosures that exceeded 5% of total investments.

External Investment Pools

The primary government is a participant in the Virginia Investment Pool (VIP). VIP is a Section 115 governmental fund created under the Joint Exercise of Powers statute of the Commonwealth of Virginia to provide political subdivisions with an investment vehicle to pool surplus funds and to invest such funds into one or more investment portfolios under the direction and daily supervision of a professional fund manager. The VIP Trust is governed by a Board of Trustees. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The County has measured fair value of the above VACO/VML Investment Pool investment at the net asset value (NAV). VACO/VML VIP allows the County to have the option to have access to withdrawal funds twice a month, with a five-day period notice. Additionally, funds are available to meet unexpected needs such as fluctuations in revenue sources, one-time outlays (disasters, immediate capital needs, state budget cuts, and etc.).

Note 4-Due from Other Governmental Units:

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

| | <u>Governmental Activities</u> | <u>Component Unit School Board</u> |
|-----------------------------------------|------------------------------------|----------------------------------------|
| <u>Commonwealth of Virginia:</u> | | |
| Big Walker SWCD | \$ 85,267 | \$ - |
| <u>Commonwealth of Virginia:</u> | | |
| Local sales tax | 105,525 | - |
| State sales tax | - | 149,474 |
| Shared expenses | 112,743 | - |
| Categorical aid | 8,881 | - |
| Non-categorical aid | 732,017 | - |
| Virginia public assistance funds | 26,342 | - |
| Children's Services Act (CSA) | 40,566 | - |
| <u>Federal Government:</u> | | |
| Virginia public assistance funds | 53,054 | - |
| School grants | - | 160,576 |
| Categorical aid | 23,088 | - |
| Totals | <u>\$ 1,187,483</u> | <u>\$ 310,050</u> |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 5-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> |
|----------------------------|---------------------|----------------------|
| Primary Government: | | |
| General Fund | \$ 76,101 | \$ 445,606 |
| Service Authority: | | |
| Water Fund | 132,197 | 31,865 |
| Sewer Fund | 313,409 | 44,236 |
| Total | <u>\$ 521,707</u> | <u>\$ 521,707</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 6-Interfund/Component-Unit Obligations:

| | <u>Due to Primary Government/ Component Unit</u> | <u>Due from Primary Government/ Component Unit</u> |
|--------------------------------------|----------------------------------------------------------|------------------------------------------------------------|
| Primary Government: | | |
| General Fund | <u>\$ 191,263</u> | <u>\$ -</u> |
| Component Unit: | | |
| School Board | \$ - | \$ 51,263 |
| Economic Development Authority (EDA) | - | 140,000 |
| Total | <u>\$ -</u> | <u>\$ 191,263</u> |

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 7-Long-Term Obligations:**

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 |
|----------------------------------------|-------------------------|-------------------------|---------------------------|--------------------------|
| Governmental Activities: | | | | |
| Direct Borrowings and Placements | | | | |
| Lease revenue bond | \$ 1,550,000 | \$ - | \$ (140,000) | \$ 1,410,000 |
| Deferred Amounts: | | | | |
| Bond premium | 162,098 | - | (17,524) | 144,574 |
| Total Direct Borrowings and Placements | \$ 1,712,098 | \$ - | \$ (157,524) | \$ 1,554,574 |
| Lease liabilities | 17,826 | - | (9,688) | 8,138 |
| Net pension liability | 863,696 | 1,149,035 | (1,084,286) | 928,445 |
| Net OPEB liabilities | 546,562 | 656,618 | (112,334) | 1,090,846 |
| Compensated absences | 294,538 | 256,257 | (220,904) | 329,891 |
| VA Transportation Commission payable | 315,711 | - | - | 315,711 |
| Total Governmental Activities | \$ 3,750,431 | \$ 2,061,910 | \$ (1,584,736) | \$ 4,227,605 |
| Business-type Activities: | | | | |
| Direct Borrowings and Placements | | | | |
| Revenue Bonds | \$ 8,149,190 | \$ - | \$ (206,926) | \$ 7,942,264 |
| Total Direct Borrowings and Placements | \$ 8,149,190 | \$ - | \$ (206,926) | \$ 7,942,264 |
| Compensated Absences | 29,659 | 24,822 | (22,244) | 32,237 |
| Net pension liability | 54,598 | 65,045 | (67,099) | 52,544 |
| Total Business-type Activities | \$ 8,233,447 | \$ 89,867 | \$ (296,269) | \$ 8,027,045 |
| Total Long-term Obligations | \$ 11,983,878 | \$ 2,151,777 | \$ (1,881,005) | \$ 12,254,650 |

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 7-Long-Term Obligations: (Continued)**

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

| Year Ending June 30, | Governmental Activities | | | | Business-type Activities | |
|-------------------------|----------------------------------|------------|-------------------|----------|----------------------------------|--------------|
| | Direct Borrowings and Placements | | | | Direct Borrowings and Placements | |
| | Lease Revenue Bond | | Lease Liabilities | | Revenue Bonds | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2025 | \$ 145,000 | \$ 48,191 | \$ 8,138 | \$ 33 | \$ 212,013 | \$ 178,703 |
| 2026 | 150,000 | 44,028 | - | - | 217,230 | 173,486 |
| 2027 | 155,000 | 39,122 | - | - | 222,588 | 168,128 |
| 2028 | 160,000 | 32,944 | - | - | 228,093 | 162,623 |
| 2029 | 165,000 | 26,922 | - | - | 233,748 | 156,968 |
| 2030-2034 | 635,000 | 41,390 | - | - | 1,259,194 | 694,386 |
| 2035-2039 | - | - | - | - | 1,399,798 | 527,499 |
| 2040-2044 | - | - | - | - | 1,267,059 | 364,042 |
| 2045-2049 | - | - | - | - | 1,287,814 | 232,046 |
| 2050-2054 | - | - | - | - | 1,400,587 | 92,044 |
| 2055-2059 | - | - | - | - | 214,140 | 8,450 |
| Total | \$ 1,410,000 | \$ 232,597 | \$ 8,138 | \$ 33 | \$ 7,942,264 | \$ 2,758,375 |

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COUNTY OF BLAND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 7-Long-Term Obligations: (Continued)

Details of long-term obligations are as follows:

| Type | Interest Rates | Installment Amounts | Final Maturity Date | Amount of Original Issue | Balance | Amount Due Within One Year |
|-------------------------------------------------------|----------------|-------------------------|---------------------|--------------------------|----------------------|----------------------------|
| Governmental Activities: | | | | | | |
| Direct Borrowings and Placements: | | | | | | |
| Lease revenue bond - VRA 2012 | 2.163-4.821% | \$90,000-\$185,000 (a+) | 4/1/2033 | \$ 2,645,000 | \$ 1,410,000 | \$ 145,000 |
| Deferred Amounts: | | | | | | |
| Unamortized bond premium | n/a | n/a | n/a | n/a | 144,574 | 17,524 |
| Total Direct Borrowings and Placements | | | | | <u>\$ 1,554,574</u> | <u>\$ 162,524</u> |
| Lease Liabilities: | | | | | | |
| Copier lease | 0.88% | \$99 m | 4/20/2025 | \$ 5,813 | \$ 986 | \$ 986 |
| Copier lease | 0.88% | \$104 m | 4/20/2025 | 6,107 | 1,036 | 1,036 |
| Copier lease | 0.88% | \$104 m | 4/20/2025 | 6,107 | 1,036 | 1,036 |
| Copier lease | 0.88% | \$104 m | 4/20/2025 | 6,107 | 1,036 | 1,036 |
| Copier lease | 0.88% | \$99 m | 4/20/2025 | 5,813 | 986 | 986 |
| Copier lease | 0.88% | \$104 m | 4/20/2025 | 6,107 | 1,036 | 1,036 |
| Copier lease | 0.88% | \$52 m | 4/20/2025 | 3,053 | 518 | 518 |
| Copier lease | 0.88% | \$52 m | 4/20/2025 | 3,053 | 518 | 518 |
| Copier lease | 0.88% | \$50 m | 4/20/2025 | 2,907 | 493 | 493 |
| Copier lease | 0.88% | \$50 m | 4/20/2025 | 2,907 | 493 | 493 |
| Total Lease Liabilities | | | | | <u>\$ 8,138</u> | <u>\$ 8,138</u> |
| Other Long-term Obligations: | | | | | | |
| Compensated absences | n/a | n/a | n/a | n/a | \$ 329,891 | \$ 247,418 |
| Net pension liability | n/a | n/a | n/a | n/a | 928,445 | - |
| Net OPEB liabilities | n/a | n/a | n/a | n/a | 1,090,846 | - |
| VA Transportation Commission payable (1) | n/a | n/a | 3/16/2022 | n/a | 315,711 | - |
| Total other long-term obligations | | | | | <u>\$ 2,664,893</u> | <u>\$ 247,418</u> |
| Total long-term obligations, governmental activities | | | | | <u>\$ 4,227,605</u> | <u>\$ 418,080</u> |
| Business-type Activities: | | | | | | |
| Revenue Bonds: | | | | | | |
| Direct Borrowings and Placements: | | | | | | |
| Rural Development 2000 | 4.50% | \$3,822 (m) | 12/28/2040 | 832,650 | \$ 534,609 | \$ 22,264 |
| VRA WSL-32-10 | 3.00% | \$16,682 (sa) | 2/1/2038 | 579,359 | 383,797 | 22,014 |
| Rural Development 2013 | 2.125% | \$21,088 (m) | 3/11/2054 | 6,590,000 | 5,595,614 | 135,465 |
| VRA WSL-18-11 | 3.00% | \$3,728 (sa) | 8/1/2045 | 146,448 | 113,812 | 4,132 |
| Rural Development 2018 | 1.75% | \$4,243 (m) | 11/27/2058 | 1,463,000 | 1,314,432 | 28,138 |
| Total Direct Borrowings and Placements | | | | | <u>\$ 7,942,264</u> | <u>\$ 212,013</u> |
| Other Long-term Obligations: | | | | | | |
| Compensated absences | n/a | n/a | n/a | n/a | \$ 32,237 | \$ 24,179 |
| Net pension liability | n/a | n/a | n/a | n/a | 52,544 | - |
| Total other long-term obligations | | | | | <u>\$ 84,781</u> | <u>\$ 24,179</u> |
| Total long-term obligations, business-type activities | | | | | <u>\$ 8,027,045</u> | <u>\$ 236,192</u> |
| Total long-term obligations, primary government | | | | | <u>\$ 12,254,650</u> | <u>\$ 654,272</u> |

(a+) - annual principal installments shown, does not include semi-annual interest installments

(m) - monthly installments, includes interest as applicable

(sa) - semi-annual installments, includes interest as applicable

(1) - Repayment of grant to Virginia Transportation Commission for Industrial Park Access Grant

If an event of default occurs with VRA, 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 Authority.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 7-Long-Term Obligations: (Continued)

If an event of default occurs with Rural Development, the holders of the bonds at their option may declare the entire unpaid principal amount of the bonds then outstanding and accrued interest thereon to be immediately due and payable.

Note 8-Long-Term Obligations-Component Units:

The following is a summary of long-term obligation transactions of the component units for the year ended June 30, 2024:

| | Balance July 1, 2023 | Issuances/ Increases | Retirements/ Decreases | Balance June 30, 2024 |
|----------------------------------|-------------------------|-------------------------|---------------------------|--------------------------|
| EDA: | | | | |
| Direct Borrowings and Placements | | | | |
| Note Payable | \$ 517,010 | \$ - | \$ (18,241) | \$ 498,769 |
| School Board: | | | | |
| Compensated absences | \$ 89,163 | \$ 68,128 | \$ (66,872) | \$ 90,419 |
| Net OPEB liabilities | 1,256,959 | 289,421 | (336,068) | 1,210,312 |
| Net pension liability | 4,128,132 | 1,966,840 | (1,882,289) | 4,212,683 |
| Total School Board | \$ 5,474,254 | \$ 2,324,389 | \$ (2,285,229) | \$ 5,513,414 |

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

| Year Ending June 30, | Direct Borrowings and Placements | |
|-------------------------|-------------------------------------|------------|
| | Note Payable | |
| | Principal | Interest |
| 2025 | \$ 18,946 | \$ 17,149 |
| 2026 | 19,620 | 16,475 |
| 2027 | 20,318 | 15,778 |
| 2028 | 21,040 | 15,055 |
| 2029 | 21,789 | 14,307 |
| 2030-2034 | 121,134 | 59,343 |
| 2035-2039 | 144,263 | 36,214 |
| 2040-2043 | 131,659 | 9,377 |
| Total | \$ 498,769 | \$ 183,698 |

A default rate of 4% above the current rate will apply should the loan ever reach 15 days past due.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 8-Long-Term Obligations-Component Units: (Continued)**

Details of long-term obligations are as follows:

| Type | Interest Rates | Installment Amounts | Final Maturity Date | Amount of Original Issue | Balance | Amount Due Within One Year |
|------------------------------------------------|----------------|---------------------|---------------------|--------------------------|--------------|----------------------------|
| EDA: | | | | | | |
| Direct Borrowings and Placements | | | | | | |
| Note Payable | 3.500% | \$3,007 (m) | 4/1/2043 | \$ 600,000 | \$ 498,769 | \$ 18,946 |
| School Board: | | | | | | |
| Other Long-term Obligations: | | | | | | |
| Compensated absences | n/a | n/a | n/a | n/a | \$ 90,419 | \$ 67,814 |
| Net OPEB liabilities | n/a | n/a | n/a | n/a | 1,210,312 | - |
| Net pension liability | n/a | n/a | n/a | n/a | 4,212,683 | - |
| Total School Board other long-term obligations | | | | | \$ 5,513,414 | \$ 67,814 |

(m) - monthly installments, includes interest as applicable

Note 9-Pension Plans:**Plan Description**

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

Benefit Structures

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

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

Note 9-Pension Plans: (Continued)

Benefit Structures (Continued)

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

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 9-Pension Plans: (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 pension plan:

| | Primary Government | Component Unit School Board Nonprofessional |
|----------------------------------------------------------------------|-----------------------|---------------------------------------------------|
| Inactive members or their beneficiaries currently receiving benefits | 40 | 24 |
| Inactive members: | | |
| Vested inactive members | 13 | 11 |
| Non-vested inactive members | 10 | 14 |
| Long-term disability (LTD) | - | 1 |
| Inactive members active elsewhere in VRS | 27 | 5 |
| Total inactive members | 50 | 31 |
| Active members | 62 | 17 |
| Total covered employees | 152 | 72 |

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 9.44% 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 \$302,403 and \$278,995 for the years ended June 30, 2024 and June 30, 2023, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2024 was 3.19% 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 \$12,352 and \$11,038 for the years ended June 30, 2024 and June 30, 2023, respectively.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 9-Pension Plans: (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 County's and Component Unit School Board's (nonprofessional) net pension liabilities (assets) were measured as of June 30, 2023. The total pension liabilities used to calculate the net pension liabilities (assets) were determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023.

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the County's and Component Unit School Board's (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 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

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 9-Pension Plans: (Continued)**Actuarial Assumptions - General Employees (Continued)**

Mortality rates: (Continued)

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 |

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

Note 9-Pension Plans: (Continued)**Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits (Continued)**

Mortality rates: (Continued)

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 |

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Note 9-Pension Plans: (Continued)***Long-Term Expected Rate of Return***

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

| Asset Class (Strategy) | Long-Term Target Asset Allocation | Arithmetic Long-Term Expected Rate of Return | Weighted Average Long-Term Expected Rate of Return* |
|--------------------------------------|--------------------------------------------|-------------------------------------------------------|-----------------------------------------------------------------|
| Public Equity | 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 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 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 9-Pension Plans: (Continued)****Discount Rate**

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. 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 was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 112% of the actuarially determined contribution rate. From July 1, 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.

Changes in Net Pension Liability (Asset)

| | Primary Government | | |
|------------------------------------------------------------------|--------------------------------------|------------------------------------------|--------------------------------------------------|
| | Increase (Decrease) | | |
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (Asset) (a) - (b) |
| Balances at June 30, 2022 | \$ 11,989,989 | \$ 11,071,695 | \$ 918,294 |
| Changes for the year: | | | |
| Service cost | \$ 342,112 | \$ - | \$ 342,112 |
| Interest | 816,587 | - | 816,587 |
| Differences between expected and actual experience | 42,616 | - | 42,616 |
| Contributions - employer | - | 278,981 | (278,981) |
| Contributions - employee | - | 148,556 | (148,556) |
| Net investment income | - | 717,823 | (717,823) |
| Benefit payments, including refunds of employee contributions | (469,044) | (469,044) | - |
| Administrator charges | - | (7,030) | 7,030 |
| Other changes | - | 290 | (290) |
| Net changes | \$ 732,271 | \$ 669,576 | \$ 62,695 |
| Balances at June 30, 2023 | \$ 12,722,260 | \$ 11,741,271 | \$ 980,989 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 9-Pension Plans: (Continued)****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 | \$ 2,004,420 | \$ 2,159,622 | \$ (155,202) |
| Changes for the year: | | | |
| Service cost | \$ 27,706 | \$ - | \$ 27,706 |
| Interest | 132,207 | - | 132,207 |
| Differences between expected and actual experience | 46,414 | - | 46,414 |
| Contributions - employer | - | 11,035 | (11,035) |
| Contributions - employee | - | 21,064 | (21,064) |
| Net investment income | - | 135,112 | (135,112) |
| Benefit payments, including refunds of employee contributions | (147,008) | (147,008) | - |
| Administrator charges | - | (1,412) | 1,412 |
| Other changes | - | 54 | (54) |
| Net changes | \$ 59,319 | \$ 18,845 | \$ 40,474 |
| Balances at June 30, 2023 | \$ 2,063,739 | \$ 2,178,467 | \$ (114,728) |

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

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

| | Rate | | |
|--------------------------------------------------------------------------------|------------------------|-----------------------------|------------------------|
| | 1% Decrease (5.75%) | Current Discount (6.75%) | 1% Increase (7.75%) |
| County Net Pension Liability (Asset) | \$ 2,880,899 | \$ 980,989 | \$ (557,642) |
| Component Unit School Board (nonprofessional) Net Pension Liability (Asset) | \$ 93,071 | \$ (114,728) | \$ (296,603) |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 9-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 School Board (nonprofessional) recognized pension expense of \$112,167 and \$(17,476), respectively. At June 30, 2024, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Primary Government | | Component Unit School Board (nonprofessional) | |
|----------------------------------------------------------------------------------|--------------------------------|-------------------------------|-----------------------------------------------|-------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 30,474 | \$ 135,664 | \$ 15,053 | \$ - |
| Change in assumptions | 53,001 | - | - | - |
| Change in proportionate share | 17,985 | 17,985 | - | - |
| Net difference between projected and actual earnings on pension plan investments | - | 160,941 | - | 37,254 |
| Employer contributions subsequent to the measurement date | 302,403 | - | 12,352 | - |
| Total | <u>\$ 403,863</u> | <u>\$ 314,590</u> | <u>\$ 27,405</u> | <u>\$ 37,254</u> |

\$302,403 and \$12,352 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction or component 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:

| Year ended June 30 | Primary Government | Component Unit School Board (nonprofessional) |
|--------------------|--------------------|-----------------------------------------------|
| 2025 | \$ (149,016) | \$ (10,904) |
| 2026 | (234,423) | (44,022) |
| 2027 | 164,730 | 31,379 |
| 2028 | 5,579 | 1,346 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 9-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 (Professional)

Plan Description

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each School Division's contractually required employer contribution rate for the year ended June 30, 2024 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 \$712,991 and \$657,995 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.

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 \$4,212,683 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 0.04168% as compared to 0.04336% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized pension expense of \$308,980. 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 9-Pension Plans: (Continued)

Component Unit School Board (Professional) (Continued)

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

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

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Differences between expected and actual experience | \$ 361,873 | \$ 164,397 |
| Change in assumptions | 190,976 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 273,909 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 111,427 | 175,805 |
| Employer contributions subsequent to the measurement date | <u>712,991</u> | <u>-</u> |
| Total | <u>\$ 1,377,267</u> | <u>\$ 614,111</u> |

\$712,991 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 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> | |
|---------------------------|-------------|
| 2025 | \$ (94,569) |
| 2026 | (226,260) |
| 2027 | 316,769 |
| 2028 | 54,225 |

Note 9-Pension Plans: (Continued)

Component Unit School Board (Professional) (Continued)

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 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 |

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.

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Note 9-Pension Plans: (Continued)

Component Unit School Board (Professional) (Continued)

Actuarial Assumptions (Continued)

Mortality rates: (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 |
| Discount Rate | No change |

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):

| | Teacher Employee Retirement Plan |
|-------------------------------------------------------------------------------|---------------------------------------------|
| 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 his plan.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 9-Pension Plans: (Continued)****Component Unit School Board (Professional) (Continued)*****Sensitivity of the School Division's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

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

| | Rate | | |
|---------------------------------------------------------------------------------------------------------|------------------------|-----------------------------|------------------------|
| | 1% Decrease (5.75%) | Current Discount (6.75%) | 1% Increase (7.75%) |
| School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability | \$ 7,467,584 | \$ 4,212,683 | \$ 1,536,886 |

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.

Primary Government and Component Unit School Board***Aggregate Pension Information***

| | Primary Government | | | | Component Unit School Board | | | |
|------------------------------|--------------------|------------------|-------------------------------|-----------------|-----------------------------|------------------|-------------------------------|-----------------|
| | Deferred Outflows | Deferred Inflows | Net Pension Liability (Asset) | Pension Expense | Deferred Outflows | Deferred Inflows | Net Pension Liability (Asset) | Pension Expense |
| VRS Pension Plan: | | | | | | | | |
| Primary Government | \$ 403,863 | \$ 314,590 | \$ 980,989 | \$ 112,167 | \$ - | \$ - | \$ - | \$ - |
| School Board Nonprofessional | - | - | - | - | 27,405 | 37,254 | (114,728) | (17,476) |
| School Board Professional | - | - | - | - | 1,377,267 | 614,111 | 4,212,683 | 308,980 |
| Totals | \$ 403,863 | \$ 314,590 | \$ 980,989 | \$ 112,167 | \$ 1,404,672 | \$ 651,365 | \$ 4,097,955 | \$ 291,504 |

Note 10—Healthcare OPEB Plans:**Primary Government*****Plan Description***

The County administers a single-employer defined benefit healthcare plan, The County of Bland Postretirement Healthcare Plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the County's pension plans. The plan does not issue a publicly available financial report.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 10—Healthcare OPEB Plans: (Continued)

Primary Government (Continued)

Benefits Provided

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

Plan Membership

At June 30, 2024 (measurement date), the following employees were covered by the benefit terms:

| | |
|--------------------------------------|------------------|
| Total active employees with coverage | 69 |
| Total retirees with coverage | <u>5</u> |
| Total | <u><u>74</u></u> |

Contributions

The 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 Board of Supervisors. The amount paid by the County for OPEB as the benefits came due during the year ended June 30, 2024 was \$0.

Total OPEB Liability

The County’s total OPEB liability was measured as of June 30, 2024. The total OPEB liability was determined by an actuarial valuation as of June 30, 2024 using the alternative measurement method.

Actuarial Assumptions

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|------------------|-------|
| Salary Increases | 5.00% |
| Discount Rate | 3.93% |

Mortality rates are based on the Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years.

The date of the most recent actuarial experience study for which significant assumptions were based is June 30, 2024.

Discount Rate

The discount rate is based on the 20 year, tax exempt municipal bond yield.

Note 10—Healthcare OPEB Plans: (Continued)**Primary Government (Continued)*****Changes in Total OPEB Liability***

| | Primary Government Total OPEB Liability |
|-------------------------------------------------------|--------------------------------------------|
| Balances at June 30, 2023 | \$ 362,950 |
| Changes for the year: | |
| Service Cost | 28,674 |
| Interest | 14,121 |
| Effect of economic/demographic gains or losses | (9,576) |
| Effect of assumption changes or inputs | (23,241) |
| Differences between expected and actual experience | 539,792 |
| Net changes | 549,770 |
| Balances at June 30, 2024 | \$ 912,720 |

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

The following amounts present the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.93%) or one percentage point higher (4.93%) than the current discount rate:

| Discount Rate | | |
|------------------------|--------------------|------------------------|
| 1% Decrease (2.93%) | Current (3.93%) | 1% Increase (4.93%) |
| \$ 1,000,441 | \$ 912,720 | \$ 836,977 |

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

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

| Healthcare Trend Rate | | |
|-----------------------|------------|--------------|
| 1% Decrease | Current | 1% Increase |
| \$ 824,009 | \$ 912,720 | \$ 1,015,618 |

The healthcare trend rates for medical, pharmacy, dental, and vision are 4.70% in 2024 then increasing to 4.80% next year then decreasing to 4.20% over 10+ years, 5.20% in 2024 decreasing to 4.20% over 10+ years, 3.50% in 2024 decreasing to 3.00% over 10+ years, and 3.00%, respectively.

Note 10—Healthcare OPEB Plans: (Continued)

Primary Government (Continued)

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

For the year ended June 30, 2024, the County recognized OPEB expense in the amount of \$559,346. At June 30, 2024, the County did not report deferred outflows of resources and deferred inflows of resources related to OPEB.

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

Component Unit - School Board

Plan Description

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

Benefits Provided

Postemployment benefits are provided to eligible retirees include Medical and Dental. 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.

Plan Membership

At June 30, 2024 (measurement date), the following employees were covered by the benefit terms:

| | |
|--------------------------------------|-------------------|
| Total active employees with coverage | 104 |
| Total retirees with coverage | <u>1</u> |
| Total | <u><u>105</u></u> |

Contributions

The 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 \$13,096.

Total OPEB Liability

The School Board’s total OPEB liability was measured as of June 30, 2024. The total OPEB liability was determined by an actuarial valuation as July 1, 2022.

Note 10—Healthcare OPEB Plans: (Continued)

Component Unit - School Board (Continued)

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:

| | |
|------------------------|-------------------------------------------------------------------------------------------------------------------------|
| Inflation | 2.50% |
| Salary Increases | 3.50% - 5.35% based on years of service for general employees; 3.50% - 5.95% based on years of service for teachers; |
| Discount Rate | 3.93% |
| Health Care Cost Trend | 6.30% in 2024 then grading to an ultimate rate of 3.90% over 50 years. |

Mortality Rates - General Employees

- **Pre-Retirement:**
Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. 25% of deaths are assumed to be service related.
- **Post-Retirement:**
Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.
- **Post-Disablement:**
Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.
- **Beneficiaries and survivors:**
Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally; 110% of rates for males and females. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

Mortality Rates - Teachers

- **Pre-Retirement:**
Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. 5% of deaths are assumed to be service related.
- **Post-Retirement:**
Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 10—Healthcare OPEB Plans: (Continued)

Component Unit - School Board (Continued)

Mortality Rates - Teachers (Continued)

- **Post-Disablement:**
Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.
- **Beneficiaries and survivors:**
Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The date of the most recent actuarial experience study for which significant assumptions were based is June 30, 2020.

Discount Rate

The discount rate is based on the bond buyer 20 year GO bond index as of the measurement date.

Changes in Total OPEB Liability

| | Component Unit School Board Total OPEB Liability |
|---------------------------|--------------------------------------------------------|
| Balances at June 30, 2023 | \$ 414,033 |
| Changes for the year: | |
| Service Cost | 30,868 |
| Interest | 16,002 |
| Change in assumptions | (8,077) |
| Benefit payments | (13,096) |
| Net changes | 25,697 |
| Balances at June 30, 2024 | \$ 439,730 |

The remainder of this page is left blank intentionally.

Note 10—Healthcare OPEB Plans: (Continued)

Component Unit - School Board (Continued)

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

The following amounts present the total OPEB liability of the Component Unit School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.93%) or one percentage point higher (4.93%) than the current discount rate:

| Rates | | |
|-------------|------------------|-------------|
| 1% Decrease | Current Discount | 1% Increase |
| (2.93%) | (3.93%) | (4.93%) |
| \$ 469,080 | \$ 439,730 | \$ 411,879 |

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

The following presents the total OPEB liability of the Component Unit School Board, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.30%) or one percentage point higher (7.30%) than the current healthcare cost trend rates:

| Rates | | |
|-------------|-------------------------------|-------------|
| 1% Decrease | Current Healthcare Cost Trend | 1% Increase |
| \$ 391,315 | \$ 439,730 | \$ 496,044 |

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

For the year ended June 30, 2024, the School Board recognized OPEB expense in the amount of \$33,863. At June 30, 2024, the School Board 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 | \$ - | \$ 36,366 |
| Changes in assumptions | 21,974 | 47,950 |
| Total | \$ 21,974 | \$ 84,316 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 10—Healthcare OPEB Plans: (Continued)

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

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

| <u>Year Ended June 30</u> | | |
|---------------------------|----|----------|
| 2025 | \$ | (14,172) |
| 2026 | | (14,172) |
| 2027 | | (14,172) |
| 2028 | | (13,393) |
| 2029 | | (6,433) |

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

Note 11-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 11-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 Plan from the County were \$18,412 and \$17,099 for the years ended June 30, 2024 and June 30, 2023, respectively.

Contributions to the GLI Plan from the Component Unit-School Board (non-professional) were \$3,134 and \$2,674 for the years ended June 30, 2024 and June 30, 2023, respectively.

Contributions to the GLI Plan from the Component Unit-School Board (professional) were \$24,342 and \$22,231 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.

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

At June 30, 2024, the County reported a liability of \$161,188 for its proportionate share of the Net GLI OPEB Liability.

At June 30, 2024, the Component Unit-School Board (nonprofessional) reported a liability of \$25,186 for its proportionate share of the Net GLI OPEB Liability.

At June 30, 2024, the Component Unit-School Board (professional) reported a liability of \$209,640 for its proportionate share of the Net GLI OPEB Liability.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 11-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)***

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 GLI 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 0.01344% as compared to 0.01360% at June 30, 2022.

At June 30, 2023, the Component Unit-School Board (nonprofessional) proportion was 0.00210% as compared to 0.00110% at June 30, 2022.

At June 30, 2023, the Component Unit-School Board (professional) proportion was 0.01748% as compared to 0.01850% at June 30, 2022.

For the year ended June 30, 2024, the County recognized GLI OPEB expense of \$11,214. 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 \$(107). 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 \$1,253. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 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 (Non-professional) | | 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 | \$ 16,099 | \$ 4,893 | \$ 2,515 | \$ 765 | \$ 20,938 | \$ 6,364 |
| Net difference between projected and actual earnings on GLI OPEB program investments | - | 6,477 | - | 1,012 | - | 8,425 |
| Change in assumptions | 3,445 | 11,168 | 538 | 1,745 | 4,481 | 14,525 |
| Changes in proportionate share | 5,080 | 2,910 | 10,947 | 6,232 | 6,716 | 18,526 |
| Employer contributions subsequent to the measurement date | 18,412 | - | 3,134 | - | 24,342 | - |
| Total | \$ 43,036 | \$ 25,448 | \$ 17,134 | \$ 9,754 | \$ 56,477 | \$ 47,840 |

Note 11-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)***

\$18,412, \$3,134, and \$24,342 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 | \$ 610 | \$ (729) | \$ (7,061) |
| 2026 | (5,881) | (714) | (10,479) |
| 2027 | 3,466 | 1,094 | 3,175 |
| 2028 | (239) | 2,267 | (1,283) |
| 2029 | 1,220 | 2,328 | (57) |

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. Information for other groups can be referenced in the VRS Annual Report.

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

Note 11-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**Mortality Rates - Teachers****Pre-Retirement:**

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 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 |

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

Note 11-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**Actuarial Assumptions (Continued)**

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:

| | |
|-------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 11-Group Life Insurance (GLI) 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. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020 |
| Retirement Rates | Adjusted rates to better fit experience and changed final retirement age from 65 to 70 |
| Withdrawal Rates | Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty |
| Disability Rates | No change |
| Salary Scale | No change |
| Line of Duty Disability | No change |
| Discount Rate | No change |

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2023, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

| | GLI OPEB Plan |
|--------------------------------------------------------------------------------|--------------------------|
| Total GLI OPEB Liability | \$ 3,907,052 |
| Plan Fiduciary Net Position | 2,707,739 |
| GLI Net OPEB Liability (Asset) | \$ 1,199,313 |
| 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 11-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 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total 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 11-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 | \$ 238,931 | \$ 161,188 | \$ 98,332 |
| Component Unit-School Board (Non-professional) proportionate share of the GLI Plan Net OPEB Liability | \$ 37,333 | \$ 25,186 | \$ 15,364 |
| Component Unit-School Board (Professional) proportionate share of the GLI Plan Net OPEB Liability | \$ 310,752 | \$ 209,640 | \$ 127,890 |

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 12-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.

Note 12-Health Insurance Credit (HIC) Plan (OPEB Plan):***Plan Description (Continued)***

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.

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:

| | Primary Government | Component Unit - School Board Nonprofessional |
|-------------------------------------------------------------------------|-----------------------|-----------------------------------------------------|
| Inactive members or their beneficiaries currently receiving benefits | 15 | 5 |
| Inactive members: | | |
| Vested inactive members | - | 5 |
| Long-term disability | - | 1 |
| Inactive members active elsewhere in VR | 7 | 5 |
| Total inactive members | 22 | 16 |
| Active members | 20 | 17 |
| Total covered employees | 42 | 33 |

Note 12-Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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 County's contractually required employer contribution rate for the year ended June 30, 2024 was 0.54% of covered employee compensation. The Component Unit - School Board's (Nonprofessional) contractually required employer contribution rate for the year ended June 30, 2024 was 2.37% 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 County to the HIC Plan were \$6,216 and \$5,781 for the years ended June 30, 2024 and June 30, 2023, respectively. Contributions from the Component Unit - School Board (nonprofessional) to the HIC Plan were \$13,753 and \$11,735 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net HIC OPEB Liability

The County and 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.

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% |
| Locality - Hazardous Duty employees | 3.50%-4.75% |
| Investment rate of return | 6.75%, net of investment expenses, including inflation |

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

Pre-Retirement:

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

Post-Retirement:

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

Note 12-Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**Actuarial Assumptions: (Continued)****Mortality Rates - Non-Largest Ten Locality Employers - General Employees (Continued)****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:

| | |
|-------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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

Note 12-Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

Beneficiaries and Survivors:

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

Mortality Improvement 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:

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

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Note 12-Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)***Long-Term Expected Rate of Return***

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

| 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 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 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 12-Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)*****Changes in Net HIC OPEB Liability - Primary Government***

| | Increase (Decrease) | | |
|-------------------------------------------------------|---------------------------------------|------------------------------------------|---------------------------------------------------|
| | Total HIC OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net HIC OPEB Liability (Asset) (a) - (b) |
| Balances at June 30, 2022 | \$ 35,443 | \$ 15,829 | \$ 19,614 |
| Changes for the year: | | | |
| Service cost | \$ 472 | \$ - | \$ 472 |
| Interest | 2,348 | - | 2,348 |
| Differences between expected and actual experience | 1,345 | - | 1,345 |
| Contributions - employer | - | 5,781 | (5,781) |
| Net investment income | - | 1,005 | (1,005) |
| Benefit payments | (2,266) | (2,266) | - |
| Administrative expenses | - | (26) | 26 |
| Other changes | - | 81 | (81) |
| Net changes | \$ 1,899 | \$ 4,575 | \$ (2,676) |
| Balances at June 30, 2023 | \$ 37,342 | \$ 20,404 | \$ 16,938 |

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 12-Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)****Changes in Net HIC OPEB Liability - Component Unit-School Board (Nonprofessional)**

| | Increase (Decrease) | | |
|-------------------------------------------------------|---------------------------------------|------------------------------------------|---------------------------------------------------|
| | Total HIC OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net HIC OPEB Liability (Asset) (a) - (b) |
| Balances at June 30, 2022 | \$ 70,269 | \$ 2,809 | \$ 67,460 |
| Changes for the year: | | | |
| Service cost | \$ 430 | \$ - | \$ 430 |
| Interest | 4,662 | - | 4,662 |
| Differences between expected and actual experience | (24,772) | - | (24,772) |
| Contributions - employer | - | 11,736 | (11,736) |
| Net investment income | - | 501 | (501) |
| Benefit payments | (3,258) | (3,258) | - |
| Administrative expenses | - | (18) | 18 |
| Other changes | - | (1) | 1 |
| Net changes | \$ (22,938) | \$ 8,960 | \$ (31,898) |
| Balances at June 30, 2023 | \$ 47,331 | \$ 11,769 | \$ 35,562 |

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

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

| | Rate | | |
|---------------------------------|------------------------|-----------------------------|------------------------|
| | 1% Decrease (5.75%) | Current Discount (6.75%) | 1% Increase (7.75%) |
| County's Net HIC OPEB Liability | \$ 21,335 | \$ 16,938 | \$ 13,257 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 12-Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)*****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 Program net HIC OPEB liability using the discount rate of 6.75%, as well as what the Component Unit-School Board's (Nonprofessional) 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%) |
| Component Unit - School Board (Nonprofessional) Net HIC OPEB Liability | \$ 39,890 | \$ 35,562 | \$ 31,829 |

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 County and Component Unit - School Board (Nonprofessional) recognized HIC Plan OPEB expense of \$10 and \$1,016, respectively. At June 30, 2024, the County and Component Unit - School Board (Nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to the County and Component Unit - School Board (Nonprofessional) HIC Plan from the following sources:

| | Primary Government | | Component Unit - School Board (Nonprofessional) | |
|--------------------------------------------------------------------------------------|-----------------------------------|----------------------------------|----------------------------------------------------|----------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Difference between expected and actual experience | \$ 1,486 | \$ 6,113 | \$ 3,155 | \$ 17,079 |
| Net difference between projected and actual earnings on HIC OPEB plan investments | 155 | - | 17 | - |
| Change in assumptions | 277 | 2,007 | 1,514 | - |
| Employer contributions subsequent to the measurement date | 6,216 | - | 13,753 | - |
| Total | \$ 8,134 | \$ 8,120 | \$ 18,439 | \$ 17,079 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 12-Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)*****HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB (Continued)***

\$6,216 and \$13,753 reported as deferred outflows of resources related to the HIC OPEB resulting from the County and 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 | Primary Government | Component Unit - School Board (Nonprofessional) |
|-----------------------|-----------------------|-------------------------------------------------------|
| 2025 | \$ (1,429) | \$ (3,733) |
| 2026 | (2,121) | (6,998) |
| 2027 | (1,433) | (1,656) |
| 2028 | (947) | (6) |
| 2029 | (272) | - |

HIC Plan Data

Information about the VRS Political Subdivision Health Insurance Credit Plan 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-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 OPEB, including eligibility, coverage, and benefits is described below:

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2024 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee Health Insurance Credit Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 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 \$54,543 and \$49,814 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 \$500,194 for its proportionate share of the VRS Teacher Employee HIC Plan Net OPEB Liability. The Net VRS Teacher Employee HIC Plan OPEB Liability was measured as of June 30, 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 Plan was 0.04130% as compared to 0.04319% at June 30, 2022.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 13-Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)*****Teacher Employee HIC Plan OPEB Liabilities, Teacher Employee HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee HIC Plan OPEB (Continued)***

For the year ended June 30, 2024, the school division recognized VRS Teacher Employee Health Insurance Credit Plan OPEB expense of \$26,066. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Plan Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|-------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ - | \$ 22,016 |
| Net difference between projected and actual earnings on Teacher HIC OPEB plan investments | 251 | - |
| Change in assumptions | 11,644 | 504 |
| Change in proportionate share and differences between actual and expected contributions | 14,836 | 47,832 |
| Employer contributions subsequent to the measurement date | 54,543 | - |
| Total | \$ 81,274 | \$ 70,352 |

\$54,543 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:

| Year Ended June 30 | |
|--------------------|-------------|
| 2025 | \$ (15,281) |
| 2026 | (12,499) |
| 2027 | (4,442) |
| 2028 | (3,001) |
| 2029 | (4,615) |
| Thereafter | (3,783) |

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

Actuarial Assumptions

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee HIC Plan was based on an actuarial valuation as of June 30, 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 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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Note 13-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):

| | | Teacher Employee HIC OPEB Plan |
|-------------------------------------------------------------------------------------------------|----|-----------------------------------------------|
| 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% |

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

Note 13-Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**Long-Term Expected Rate of Return**

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

| Asset Class (Strategy) | Long-Term Target Asset 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 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

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

Discount Rate

The discount rate used to measure the total Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 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 Program net HIC OPEB liability using the discount rate of 6.75%, as well as what the school division's proportionate share of the net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

| | Rate | | |
|---------------------------------------------------------------------------------|-------------|------------------|-------------|
| | 1% Decrease | 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 | \$ 565,776 | \$ 500,194 | \$ 444,620 |

Teacher Employee HIC OPEB Fiduciary Net Position

Detailed information about the VRS Teacher Employee Health Insurance Credit 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 14-Summary of OPEB Plans:

| | Primary Government | | | | Component Unit School Board | | | |
|---------------------------------------------------------------------|--------------------|------------------|--------------------|--------------|-----------------------------|------------------|--------------------|--------------|
| | Deferred Outflows | Deferred Inflows | Net OPEB Liability | OPEB Expense | Deferred Outflows | Deferred Inflows | Net OPEB Liability | OPEB Expense |
| County Stand-Alone Plan (Note 10) | \$ - | \$ - | \$ 912,720 | \$ 559,346 | \$ - | \$ - | \$ - | \$ - |
| School Stand-Alone Plan (Note 10) | - | - | - | - | 21,974 | 84,316 | 439,730 | 33,863 |
| VRS OPEB Plans: | | | | | | | | |
| Group Life Insurance Plan (Note 11) | | | | | | | | |
| County | 43,036 | 25,448 | 161,188 | 11,214 | - | - | - | - |
| School Board Nonprofessional | - | - | - | - | 17,134 | 9,754 | 25,186 | (107) |
| School Board Professional | - | - | - | - | 56,477 | 47,840 | 209,640 | 1,253 |
| County Health Insurance Credit Plan (Note 12) | 8,134 | 8,120 | 16,938 | 10 | - | - | - | - |
| School Board Nonprofessional Health Insurance Credit Plan (Note 12) | - | - | - | - | 18,439 | 17,079 | 35,562 | 1,016 |
| Teacher Health Insurance Credit Plan (Note 13) | - | - | - | - | 81,274 | 70,352 | 500,194 | 26,066 |
| Totals | \$ 51,170 | \$ 33,568 | \$ 1,090,846 | \$ 570,570 | \$ 195,298 | \$ 229,341 | \$ 1,210,312 | \$ 62,091 |

Note 15-Unearned and Deferred/Unavailable Revenue:

Unearned and 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 no available. Under the accrual basis, assessments for future periods are deferred.

| | Government-wide Statements | Balance Sheet |
|--------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|--------------------|
| | Governmental Activities | Governmental Funds |
| Unavailable/deferred revenue | | |
| Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures | \$ - | \$ 725,714 |
| Tax assessments due after June 30 | 5,066,895 | 5,066,895 |
| Prepaid property taxes due after June 30 but paid in advance by taxpayers | 98,246 | 98,246 |
| Unavailable opioid settlement proceeds representing uncollected opioid settlement proceeds not available for the funding of current expenditures | - | 240,874 |
| Lease related items | 12,592 | 12,592 |
| Total unavailable/deferred revenue | \$ 5,177,733 | \$ 6,144,321 |
| Unearned revenue | | |
| Unspent LATCF grant funds received during the current fiscal year | \$ 60,000 | \$ 60,000 |
| Total unearned revenue | \$ 60,000 | \$ 60,000 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 16-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/amortized: | | | | |
| Land | \$ 306,038 | \$ - | \$ - | \$ 306,038 |
| Construction in progress | 2,132,167 | 22,976 | (2,132,167) | 22,976 |
| Total capital assets not being depreciated/amortized | <u>\$ 2,438,205</u> | <u>\$ 22,976</u> | <u>\$ (2,132,167)</u> | <u>\$ 329,014</u> |
| Capital assets, being depreciated/amortized: | | | | |
| Buildings and improvements | \$ 6,462,705 | \$ 2,328,846 | \$ - | \$ 8,791,551 |
| Machinery and equipment | 4,087,621 | 214,478 | (19,151) | 4,282,948 |
| Lease machinery and equipment | 36,942 | - | - | 36,942 |
| Total capital assets being depreciated/amortized | <u>\$ 10,587,268</u> | <u>\$ 2,543,324</u> | <u>\$ (19,151)</u> | <u>\$ 13,111,441</u> |
| Accumulated depreciation/amortization: | | | | |
| Buildings and improvements | \$ (3,746,475) | \$ (383,591) | \$ - | \$ (4,130,066) |
| Machinery and equipment | (3,417,356) | (133,270) | 19,151 | (3,531,475) |
| Lease machinery and equipment | (19,002) | (9,530) | - | (28,532) |
| Total accumulated depreciation/amortization | <u>\$ (7,182,833)</u> | <u>\$ (526,391)</u> | <u>\$ 19,151</u> | <u>\$ (7,690,073)</u> |
| Total capital assets being depreciated/amortized, net | <u>\$ 3,404,435</u> | <u>\$ 2,016,933</u> | <u>\$ -</u> | <u>\$ 5,421,368</u> |
| Governmental activities capital assets, net | <u><u>\$ 5,842,640</u></u> | <u><u>\$ 2,039,909</u></u> | <u><u>\$ (2,132,167)</u></u> | <u><u>\$ 5,750,382</u></u> |

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 16-Capital Assets: (Continued)**

Primary Government: (Continued)

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|----------------------------------------------|------------------------------|---------------------|------------------|---------------------------|
| Business-type Activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 255,156 | \$ - | \$ - | \$ 255,156 |
| Construction in progress | 564,005 | 253,337 | - | 817,342 |
| Total capital assets not being depreciated | <u>\$ 819,161</u> | <u>\$ 253,337</u> | <u>\$ -</u> | <u>\$ 1,072,498</u> |
| Capital assets, being depreciated: | | | | |
| Utility plant | \$ 27,740,972 | \$ - | \$ - | \$ 27,740,972 |
| Machinery and equipment | 300,281 | 36,360 | - | 336,641 |
| Total capital assets being depreciated | <u>\$ 28,041,253</u> | <u>\$ 36,360</u> | <u>\$ -</u> | <u>\$ 28,077,613</u> |
| Accumulated depreciation: | | | | |
| Utility plant | \$ (11,367,678) | \$ (697,277) | \$ - | \$ (12,064,955) |
| Machinery and equipment | (289,016) | (7,338) | - | (296,354) |
| Total accumulated depreciation | <u>\$ (11,656,694)</u> | <u>\$ (704,615)</u> | <u>\$ -</u> | <u>\$ (12,361,309)</u> |
| Total capital assets being depreciated, net | <u>\$ 16,384,559</u> | <u>\$ (668,255)</u> | <u>\$ -</u> | <u>\$ 15,716,304</u> |
| Business-type activities capital assets, net | <u>\$ 17,203,720</u> | <u>\$ (414,918)</u> | <u>\$ -</u> | <u>\$ 16,788,802</u> |

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

Governmental activities:

| | |
|-----------------------------------|---------------|
| General government administration | \$ 146,157 |
| Judicial administration | 11,361 |
| Public safety | 136,594 |
| Public works | 67,481 |
| Health and welfare | 2,748 |
| Parks, recreation, and cultural | 85,929 |
| Community development | 76,121 |
| | <u>76,121</u> |

Total depreciation/amortization
expense-governmental activities

\$ 526,391

Business-type activities:

| | |
|-------------------|-------------------|
| Service Authority | <u>\$ 704,615</u> |
|-------------------|-------------------|

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 16-Capital Assets: (Continued)Discretely Presented Component Unit-School Board:

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

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---------------------------------------------|-----------------------|---------------------|-------------|-----------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 614,083 | \$ - | \$ - | \$ 614,083 |
| Construction in progress | 856,430 | 75,619 | - | 932,049 |
| Total capital assets not being depreciated | <u>\$ 1,470,513</u> | <u>\$ 75,619</u> | <u>\$ -</u> | <u>\$ 1,546,132</u> |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | \$ 5,680,320 | \$ 84,516 | \$ - | \$ 5,764,836 |
| Machinery and equipment | 2,687,339 | 134,542 | - | 2,821,881 |
| Total capital assets being depreciated | <u>\$ 8,367,659</u> | <u>\$ 219,058</u> | <u>\$ -</u> | <u>\$ 8,586,717</u> |
| Accumulated depreciation: | | | | |
| Buildings and improvements | \$ (3,173,594) | \$ (188,834) | \$ - | \$ (3,362,428) |
| Machinery and equipment | (2,187,272) | (118,346) | - | (2,305,618) |
| Total accumulated depreciation | <u>\$ (5,360,866)</u> | <u>\$ (307,180)</u> | <u>\$ -</u> | <u>\$ (5,668,046)</u> |
| Total capital assets being depreciated, net | <u>\$ 3,006,793</u> | <u>\$ (88,122)</u> | <u>\$ -</u> | <u>\$ 2,918,671</u> |
| Governmental activities capital assets, net | <u>\$ 4,477,306</u> | <u>\$ (12,503)</u> | <u>\$ -</u> | <u>\$ 4,464,803</u> |

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 16-Capital Assets: (Continued)Discretely Presented Component Unit-Economic Development Authority:

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

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|----------------------------------------------|------------------------------|--------------------|------------------|---------------------------|
| Business-type Activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 420,159 | \$ - | \$ - | \$ 420,159 |
| Total capital assets not being depreciated | <u>\$ 420,159</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 420,159</u> |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | \$ 977,709 | \$ 40,466 | \$ - | \$ 1,018,175 |
| Land improvements | 1,196,154 | - | - | 1,196,154 |
| Machinery and equipment | 4,546 | - | - | 4,546 |
| Total capital assets being depreciated | <u>\$ 2,178,409</u> | <u>\$ 40,466</u> | <u>\$ -</u> | <u>\$ 2,218,875</u> |
| Accumulated depreciation: | | | | |
| Buildings and improvements | \$ (286,625) | \$ (36,915) | \$ - | \$ (323,540) |
| Land improvements | (429,297) | (39,872) | - | (469,169) |
| Machinery and equipment | (4,546) | - | - | (4,546) |
| Total accumulated depreciation | <u>\$ (720,468)</u> | <u>\$ (76,787)</u> | <u>\$ -</u> | <u>\$ (797,255)</u> |
| Total capital assets being depreciated, net | <u>\$ 1,457,941</u> | <u>\$ (36,321)</u> | <u>\$ -</u> | <u>\$ 1,421,620</u> |
| Business-type activities capital assets, net | <u>\$ 1,878,100</u> | <u>\$ (36,321)</u> | <u>\$ -</u> | <u>\$ 1,841,779</u> |

Discretely Presented Component Unit-Wireless Authority:

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

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|----------------------------------------------|------------------------------|-------------------|------------------|---------------------------|
| Business-type Activities: | | | | |
| Capital assets, being depreciated: | | | | |
| Infrastructure | \$ 397,018 | \$ - | \$ - | \$ 397,018 |
| Accumulated depreciation: | | | | |
| Infrastructure | <u>\$ (133,600)</u> | <u>\$ (9,925)</u> | <u>\$ -</u> | <u>\$ (143,525)</u> |
| Business-type activities capital assets, net | <u>\$ 263,418</u> | <u>\$ (9,925)</u> | <u>\$ -</u> | <u>\$ 253,493</u> |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 17-Leases Receivable:**

The following is a summary of leases receivable transactions of the County for the year ended June 30, 2024:

| | Beginning Balance | Increases/ Issuances | Decreases/ Retirements | Ending Balance | Interest Revenue |
|-------------------|----------------------|-------------------------|---------------------------|-------------------|---------------------|
| Leases receivable | \$ 16,869 | \$ - | \$ (3,586) | \$ 13,283 | \$ 384 |

Details of leases receivable:

| Lease Description | Original Issuance Date | End Date | Payment Frequency | Discount Rate | Ending Balance | Amount Due Within One Year |
|---------------------------------------|------------------------------|-------------|----------------------|------------------|-------------------|----------------------------------|
| Office Space - New York Life Business | 12/13/2017 | 12/12/2027 | Monthly | 2.52% | \$ 13,283 | \$ 3,677 |

Note 18-Loans Receivable:**Discretely Presented Component Unit-Economic Development Authority:**

At June 30, 2024, the outstanding balance for loans receivable is \$142,018, which consisted of the following:

On May 5, 2021, the EDA issued a loan in the amount of \$150,000 to a local business for renovations to real estate. The loan shall be for a period of ten years with annual principal payments of \$15,000. No interest shall be charged. The EDA and the local business have agreed to specific performance terms and if the local business complies the EDA will to forgive 100% of the annual payments for the first two years and 33% of the annual payments for years three and four. The local business shall make full payments of the loan for the remaining six years. At June 30, 2024, the outstanding balance for the loan receivable is \$105,000.

On January 17, 2023, the EDA issued a loan in the amount of \$50,000 to a local business for renovations to real estate. The loan shall be for a period of five years with monthly principal and interest payments of \$943.56 bearing interest of 5%. At June 30, 2024, the outstanding balance for the loan receivable is \$37,018.

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, auto, property, workers compensation, and crime insurance with the Virginia Association of Counties Risk Pool. Each member of this risk pool jointly and severally agrees to assume, pay and discharge any liability. The County and its Component Unit - School Board pay the Virginia Association of Counties 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 the 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:

| <u>Fidelity & Deposit Company of Maryland-Surety:</u> | | |
|------------------------------------------------------------------|----|---------|
| Lisa Hall, Clerk of the Circuit Court | \$ | 105,000 |
| Adam Kidd, Treasurer | | 300,000 |
| Cindy Wright, Commissioner of the Revenue | | 3,000 |
| Jason Ramsey, Sheriff | | 30,000 |

Note 22-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 23-Tax Abatements:

Tax Abatement Disclosures require governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients.
- The gross dollar amount of taxes abated during the period.
- Commitments made by a government, other than to abate taxes, as part of a tax abatement.

The County entered into a performance agreement with Love's Travel Stops & Country Stores, Inc. on December 22, 2015. Under the agreement, the Company was to acquire and improve the site and to construct and equip the Facility costing approximately \$7,500,000, of which approximately \$2,500,000 would be invested in machinery and equipment, and approximately \$5,000,000 would be invested in site improvements and construction of the facility. In addition, 40 new jobs would be created and maintained through the performance date, which is ten years from the opening date. In return, the Locality agreed to disburse an Economic Development Opportunity Grant equal to 90% of the locally collected tax on prepared food and beverages, not to exceed \$100,000, annually on or before March 1st for a term of 10 years. If the Company fails to meet 90% of the targets as of the performance date, the Company shall repay to the Bland County Economic Development Authority that part of the local grant that is proportional to the target or targets for which there is a shortfall. For fiscal year ending June 30, 2024, the County returned taxes in the amount of \$100,000 to Love's Travel Stop.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 24-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 Bland, 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 Amounts | Variance with Final Budget - Positive (Negative) |
|-----------------------------------------------------------|------------------|---------------|-------------------|-----------------------------------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| General property taxes | \$ 5,493,107 | \$ 5,493,107 | \$ 5,649,360 | \$ 156,253 |
| Other local taxes | 1,325,867 | 1,325,867 | 1,455,712 | 129,845 |
| Permits, privilege fees, and regulatory licenses | 20,600 | 20,600 | 23,100 | 2,500 |
| Fines and forfeitures | 284,025 | 344,025 | 509,739 | 165,714 |
| Revenue from the use of money and property | 21,300 | 21,300 | 190,309 | 169,009 |
| Charges for services | 542,091 | 542,091 | 442,757 | (99,334) |
| Miscellaneous | 1,111,088 | 1,139,241 | 513,256 | (625,985) |
| Recovered costs | 149,232 | 150,847 | 332,134 | 181,287 |
| Intergovernmental: | | | | |
| Commonwealth | 2,652,436 | 3,019,974 | 3,593,388 | 573,414 |
| Federal | 1,674,949 | 1,714,790 | 1,388,709 | (326,081) |
| Total revenues | \$ 13,274,695 | \$ 13,771,842 | \$ 14,098,464 | \$ 326,622 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government administration | \$ 1,470,009 | \$ 1,476,641 | \$ 1,405,176 | \$ 71,465 |
| Judicial administration | 612,677 | 631,395 | 610,868 | 20,527 |
| Public safety | 2,813,064 | 3,235,679 | 2,500,961 | 734,718 |
| Public works | 1,331,685 | 1,356,957 | 1,320,599 | 36,358 |
| Health and welfare | 1,901,261 | 1,994,070 | 1,864,138 | 129,932 |
| Education | 2,909,344 | 2,909,344 | 2,928,176 | (18,832) |
| Parks, recreation, and cultural | 831,567 | 925,602 | 608,452 | 317,150 |
| Community development | 804,295 | 788,639 | 1,039,167 | (250,528) |
| Capital projects | 85,000 | 85,000 | 728 | 84,272 |
| Debt service: | | | | |
| Principal retirement | 149,688 | 149,688 | 149,688 | - |
| Interest and other fiscal charges | 53,735 | 53,735 | 53,735 | - |
| Total expenditures | \$ 12,962,325 | \$ 13,606,750 | \$ 12,481,688 | \$ 1,125,062 |
| Excess (deficiency) of revenues over (under) expenditures | \$ 312,370 | \$ 165,092 | \$ 1,616,776 | \$ 1,451,684 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | \$ - | \$ - | \$ 76,101 | \$ 76,101 |
| Transfers out | (312,370) | (364,607) | (445,606) | (80,999) |
| Total other financing sources (uses) | \$ (312,370) | \$ (364,607) | \$ (369,505) | \$ (4,898) |
| Net change in fund balances | \$ - | \$ (199,515) | \$ 1,247,271 | \$ 1,446,786 |
| Fund balances - beginning | - | 199,515 | 6,677,528 | 6,478,013 |
| Fund balances - ending | \$ - | \$ - | \$ 7,924,799 | \$ 7,924,799 |

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

For the Measurement Dates of June 30, 2014 through June 30, 2023

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|-----------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total pension liability | | | | | | | | | | |
| Service cost | \$ 342,112 | \$ 303,838 | \$ 282,388 | \$ 256,315 | \$ 283,366 | \$ 263,646 | \$ 251,429 | \$ 215,957 | \$ 223,426 | \$ 208,295 |
| Interest | 816,587 | 792,345 | 711,905 | 705,261 | 659,526 | 633,997 | 642,385 | 613,129 | 578,125 | 554,140 |
| Changes in assumptions | - | - | 342,096 | - | 319,621 | - | 10,538 | - | - | - |
| Differences between expected and actual experience | 42,616 | (320,341) | (3,164) | (404,572) | 242,748 | (32,861) | (517,956) | 64,383 | 137,056 | - |
| Benefit payments | (469,044) | (440,920) | (449,803) | (467,355) | (490,131) | (510,046) | (502,392) | (448,650) | (428,447) | (411,161) |
| Net change in total pension liability | \$ 732,271 | \$ 334,922 | \$ 883,422 | \$ 89,649 | \$ 1,015,130 | \$ 354,736 | \$ (115,996) | \$ 444,819 | \$ 510,160 | \$ 351,274 |
| Total pension liability - beginning | \$ 11,989,989 | \$ 11,655,067 | \$ 10,771,645 | \$ 10,681,996 | \$ 9,666,866 | \$ 9,312,130 | \$ 9,428,126 | \$ 8,983,307 | \$ 8,473,147 | \$ 8,121,873 |
| Total pension liability - ending (a) | \$ 12,722,260 | \$ 11,989,989 | \$ 11,655,067 | \$ 10,771,645 | \$ 10,681,996 | \$ 9,666,866 | \$ 9,312,130 | \$ 9,428,126 | \$ 8,983,307 | \$ 8,473,147 |
| Plan fiduciary net position | | | | | | | | | | |
| Contributions - employer | \$ 278,981 | \$ 278,441 | \$ 268,315 | \$ 300,800 | \$ 293,044 | \$ 385,727 | \$ 349,001 | \$ 306,879 | \$ 294,936 | \$ 338,669 |
| Contributions - employee | 148,556 | 138,103 | 133,223 | 126,124 | 122,677 | 121,173 | 109,417 | 107,661 | 99,321 | 98,577 |
| Net investment income | 717,823 | (15,380) | 2,402,670 | 167,707 | 545,722 | 564,703 | 832,465 | 118,357 | 296,855 | 884,620 |
| Benefit payments | (469,044) | (440,920) | (449,803) | (467,355) | (490,131) | (510,046) | (502,392) | (448,650) | (428,447) | (411,161) |
| Administrator charges | (7,030) | (6,842) | (5,857) | (5,527) | (5,327) | (4,775) | (4,746) | (4,159) | (4,036) | (4,716) |
| Other | 290 | 259 | 229 | (198) | (345) | (508) | (745) | (50) | (63) | 46 |
| Net change in plan fiduciary net position | \$ 669,576 | \$ (46,339) | \$ 2,348,777 | \$ 121,551 | \$ 465,640 | \$ 556,274 | \$ 783,000 | \$ 80,038 | \$ 258,566 | \$ 906,035 |
| Plan fiduciary net position - beginning | \$ 11,071,695 | \$ 11,118,034 | \$ 8,769,257 | \$ 8,647,706 | \$ 8,182,066 | \$ 7,625,792 | \$ 6,842,792 | \$ 6,762,754 | \$ 6,504,188 | \$ 5,598,153 |
| Plan fiduciary net position - ending (b) | \$ 11,741,271 | \$ 11,071,695 | \$ 11,118,034 | \$ 8,769,257 | \$ 8,647,706 | \$ 8,182,066 | \$ 7,625,792 | \$ 6,842,792 | \$ 6,762,754 | \$ 6,504,188 |
| County's net pension liability - ending (a) - (b) | \$ 980,989 | \$ 918,294 | \$ 537,033 | \$ 2,002,388 | \$ 2,034,290 | \$ 1,484,800 | \$ 1,686,338 | \$ 2,585,334 | \$ 2,220,553 | \$ 1,968,959 |
| Plan fiduciary net position as a percentage of the total pension liability | 92.29% | 92.34% | 95.39% | 81.41% | 80.96% | 84.64% | 81.89% | 72.58% | 75.28% | 76.76% |
| Covered payroll | \$ 3,123,039 | \$ 2,907,698 | \$ 2,806,032 | \$ 2,632,685 | \$ 2,552,486 | \$ 2,500,000 | \$ 2,250,541 | \$ 2,089,541 | \$ 1,999,717 | \$ 1,972,767 |
| County's net pension liability as a percentage of covered payroll | 31.41% | 31.58% | 19.14% | 76.06% | 79.70% | 59.39% | 74.93% | 123.73% | 111.04% | 99.81% |

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

For the Measurement Dates of June 30, 2014 through June 30, 2023

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|-------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total pension liability | | | | | | | | | | |
| Service cost | \$ 27,706 | \$ 20,281 | \$ 21,150 | \$ 37,206 | \$ 38,396 | \$ 40,665 | \$ 42,560 | \$ 43,116 | \$ 42,034 | \$ 48,144 |
| Interest | 132,207 | 136,714 | 128,234 | 125,162 | 124,074 | 116,846 | 116,925 | 105,646 | 106,276 | 100,513 |
| Changes in assumptions | - | - | 73,624 | - | 45,776 | - | (9,584) | - | - | - |
| Differences between expected and actual experience | 46,414 | (94,935) | 11,480 | 643 | (26,014) | 43,375 | (53,234) | 96,371 | (88,366) | - |
| Benefit payments | (147,008) | (125,498) | (132,792) | (102,195) | (98,745) | (96,500) | (99,115) | (68,870) | (69,028) | (63,638) |
| Net change in total pension liability | \$ 59,319 | \$ (63,438) | \$ 101,696 | \$ 60,816 | \$ 83,487 | \$ 104,386 | \$ (2,448) | \$ 176,263 | \$ (9,084) | \$ 85,019 |
| Total pension liability - beginning | \$ 2,004,420 | \$ 2,067,858 | \$ 1,966,162 | \$ 1,905,346 | \$ 1,821,859 | \$ 1,717,473 | \$ 1,719,921 | \$ 1,543,658 | \$ 1,552,742 | \$ 1,467,723 |
| Total pension liability - ending (a) | \$ 2,063,739 | \$ 2,004,420 | \$ 2,067,858 | \$ 1,966,162 | \$ 1,905,346 | \$ 1,821,859 | \$ 1,717,473 | \$ 1,719,921 | \$ 1,543,658 | \$ 1,552,742 |
| Plan fiduciary net position | | | | | | | | | | |
| Contributions - employer | \$ 11,035 | \$ 12,624 | \$ 11,885 | \$ 16,705 | \$ 16,622 | \$ 19,184 | \$ 27,729 | \$ 29,601 | \$ 32,871 | \$ 49,500 |
| Contributions - employee | 21,064 | 11,192 | 10,616 | 17,072 | 16,852 | 18,543 | 25,174 | 19,892 | 22,001 | 23,522 |
| Net investment income | 135,112 | (852) | 499,834 | 36,163 | 121,303 | 130,148 | 197,037 | 28,385 | 71,729 | 212,964 |
| Benefit payments | (147,008) | (125,498) | (132,792) | (102,195) | (98,745) | (96,500) | (99,115) | (68,870) | (69,028) | (63,638) |
| Administrator charges | (1,412) | (1,432) | (1,315) | (1,263) | (1,240) | (1,148) | (1,162) | (1,006) | (983) | (1,131) |
| Other | 54 | 51 | 46 | (42) | (76) | (115) | (174) | (12) | (17) | 11 |
| Net change in plan fiduciary net position | \$ 18,845 | \$ (103,915) | \$ 388,274 | \$ (33,560) | \$ 54,716 | \$ 70,112 | \$ 149,489 | \$ 7,990 | \$ 56,573 | \$ 221,228 |
| Plan fiduciary net position - beginning | \$ 2,159,622 | \$ 2,263,537 | \$ 1,875,263 | \$ 1,908,823 | \$ 1,854,107 | \$ 1,783,995 | \$ 1,634,506 | \$ 1,626,516 | \$ 1,569,943 | \$ 1,348,715 |
| Plan fiduciary net position - ending (b) | \$ 2,178,467 | \$ 2,159,622 | \$ 2,263,537 | \$ 1,875,263 | \$ 1,908,823 | \$ 1,854,107 | \$ 1,783,995 | \$ 1,634,506 | \$ 1,626,516 | \$ 1,569,943 |
| School Division's net pension liability (asset) - ending (a) - (b) | \$ (114,728) | \$ (155,202) | \$ (195,679) | \$ 90,899 | \$ (3,477) | \$ (32,248) | \$ (66,522) | \$ 85,415 | \$ (82,858) | \$ (17,201) |
| Plan fiduciary net position as a percentage of the total pension liability | 105.56% | 107.74% | 109.46% | 95.38% | 100.18% | 101.77% | 103.87% | 95.03% | 105.37% | 101.11% |
| Covered payroll | \$ 495,166 | \$ 238,308 | \$ 225,415 | \$ 352,491 | \$ 347,325 | \$ 388,950 | \$ 449,747 | \$ 411,381 | \$ 446,288 | \$ 465,565 |
| School Division's net pension liability (asset) as a percentage of covered payroll | -23.17% | -65.13% | -86.81% | 25.79% | -1.00% | -8.29% | -14.79% | 20.76% | -18.57% | -3.69% |

County of Bland, Virginia
Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan
Pension Plans
For the Measurement Dates of June 30, 2014 through June 30, 2023

| Date (1) | Employer's Proportion of the Net Pension Liability (Asset) (2) | Employer's Proportionate Share of the Net Pension Liability (Asset) (3) | Employer's Covered Payroll (4) | Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (3)/(4) (5) | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (6) |
|-------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| 2023 | 0.04168% | \$ 4,212,683 | \$ 4,116,841 | 102.33% | 82.45% |
| 2022 | 0.04336% | 4,128,132 | 4,025,071 | 102.56% | 82.61% |
| 2021 | 0.04276% | 3,319,500 | 3,773,300 | 87.97% | 85.46% |
| 2020 | 0.04150% | 6,036,429 | 3,631,615 | 166.22% | 71.47% |
| 2019 | 0.04180% | 5,501,118 | 3,509,236 | 156.76% | 73.51% |
| 2018 | 0.04435% | 5,215,000 | 3,617,610 | 144.16% | 74.81% |
| 2017 | 0.04940% | 6,075,000 | 3,420,417 | 177.61% | 72.92% |
| 2016 | 0.04855% | 6,804,000 | 3,700,904 | 183.85% | 68.28% |
| 2015 | 0.05253% | 6,611,000 | 3,901,573 | 169.44% | 70.68% |
| 2014 | 0.05666% | 6,848,000 | 4,142,763 | 165.30% | 70.88% |

County of Bland, 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) |
|------------------------------------------------------|---------------------------------------------------|--------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------|---------------------------------------------------------|
| Primary Government | | | | | |
| 2024 | \$ 302,403 | \$ 302,403 | \$ - | \$ 3,402,455 | 8.89% |
| 2023 | 278,995 | 278,995 | - | 3,123,039 | 8.93% |
| 2022 | 278,440 | 278,440 | - | 2,907,698 | 9.58% |
| 2021 | 268,315 | 268,315 | - | 2,806,032 | 9.56% |
| 2020 | 300,773 | 300,773 | - | 2,632,685 | 11.42% |
| 2019 | 293,044 | 293,044 | - | 2,552,486 | 11.48% |
| 2018 | 385,727 | 385,727 | - | 2,500,000 | 15.43% |
| 2017 | 352,884 | 352,884 | - | 2,250,541 | 15.68% |
| 2016 | 308,625 | 308,625 | - | 2,089,541 | 14.77% |
| 2015 | 295,358 | 295,358 | - | 1,999,717 | 14.77% |
| Component Unit School Board (nonprofessional) | | | | | |
| 2024 | \$ 12,352 | \$ 12,352 | \$ - | \$ 580,301 | 2.13% |
| 2023 | 11,038 | 11,038 | - | 495,166 | 2.23% |
| 2022 | 12,765 | 12,765 | - | 238,308 | 5.36% |
| 2021 | 11,885 | 11,885 | - | 225,415 | 5.27% |
| 2020 | 17,448 | 17,448 | - | 352,491 | 4.95% |
| 2019 | 16,623 | 16,623 | - | 347,325 | 4.79% |
| 2018 | 19,184 | 19,184 | - | 388,950 | 4.93% |
| 2017 | 23,522 | 23,522 | - | 449,747 | 5.23% |
| 2016 | 30,278 | 30,278 | - | 411,381 | 7.36% |
| 2015 | 32,871 | 32,871 | - | 446,288 | 7.37% |
| Component Unit School Board (professional) | | | | | |
| 2024 | \$ 712,991 | \$ 712,991 | \$ - | \$ 4,507,698 | 15.82% |
| 2023 | 657,995 | 657,995 | - | 4,116,841 | 15.98% |
| 2022 | 644,159 | 644,159 | - | 4,025,071 | 16.00% |
| 2021 | 605,008 | 605,008 | - | 3,773,300 | 16.03% |
| 2020 | 551,169 | 551,169 | - | 3,631,615 | 15.18% |
| 2019 | 533,000 | 533,000 | - | 3,509,236 | 15.19% |
| 2018 | 581,000 | 581,000 | - | 3,617,610 | 16.06% |
| 2017 | 564,000 | 564,000 | - | 3,420,417 | 16.49% |
| 2016 | 518,319 | 518,319 | - | 3,700,904 | 14.01% |
| 2015 | 565,000 | 565,000 | - | 3,901,573 | 14.48% |

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

County of Bland, 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 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 |

All Others (Non 10 Largest) - Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

County of Bland, Virginia
Schedule of Changes in Total OPEB Liability and Related Ratios
Healthcare Plan
Primary Government
For the Measurement Dates of June 30, 2018 through June 30, 2024

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|------------------------------------------------------------------------------------------|-------------------|-------------------|---------------------|---------------------|---------------------|-------------------|--------------------|
| Total OPEB liability | | | | | | | |
| Service cost | \$ 28,674 | \$ 115,030 | \$ 115,030 | \$ 125,282 | \$ 73,308 | \$ 75,738 | \$ 54,401 |
| Interest | 14,121 | 15,614 | 29,586 | 29,152 | 31,240 | 30,961 | 13,685 |
| Effect of Economic/Demographic Gains or Losses | (9,576) | (89,245) | (1,013,496) | (101,133) | 98,373 | (47,602) | - |
| Changes in assumptions | (23,241) | (4,498) | (59,777) | 7,574 | 171,644 | 35,875 | (158,748) |
| Differences between expected and actual experience | 539,792 | - | - | - | - | - | - |
| Other adjustments | - | - | - | - | - | - | 36,812 |
| Net change in total OPEB liability | \$ 549,770 | \$ 36,901 | \$ (928,657) | \$ 60,875 | \$ 374,565 | \$ 94,972 | \$ (53,850) |
| Total OPEB liability - beginning | 362,950 | 326,049 | 1,254,706 | 1,193,831 | 819,266 | 724,294 | 778,144 |
| Total OPEB liability - ending | \$ 912,720 | \$ 362,950 | \$ 326,049 | \$ 1,254,706 | \$ 1,193,831 | \$ 819,266 | \$ 724,294 |
| Covered-employee payroll | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| County's total OPEB liability (asset) as a percentage of covered-employee payroll | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

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

County of Bland, Virginia
Notes to Required Supplementary Information
Healthcare Plan
Primary Government
For the Year Ended June 30, 2024

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

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

Methods and assumptions used to determine OPEB liability:

| | |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Actuarial Cost Method | Entry age normal, level percentage of pay |
| Salary Increase Rates | 5.00% |
| Discount Rate | 3.93% |
| Mortality Rates | Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvements projected for 10 year. |
| Health Care Cost Trend | <p>For medical: 4.70% in 2024 then increasing to 4.80% next year then grading down to an ultimate rate of 4.20% over 10+ years.</p> <p>For pharmacy: 5.20% in 2024 then grading down to an ultimate rate of 4.20% over 10+ years.</p> <p>For dental: 3.50% in 2024 then grading down to an ultimate rate of 3.00% over 10+ years.</p> <p>For vision: 3.00% in 2024 and staying the same over 10+ years.</p> |

County of Bland, Virginia
Schedule of Changes in Total OPEB Liability and Related Ratios
Healthcare Plan
Component Unit School Board

For the Measurement Dates of June 30, 2018 through June 30, 2024

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|----------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total OPEB liability | | | | | | | |
| Service cost | \$ 30,868 | \$ 34,550 | \$ 35,437 | \$ 34,319 | \$ 21,639 | \$ 18,531 | \$ 27,582 |
| Interest | 16,002 | 16,869 | 10,655 | 9,692 | 14,279 | 15,103 | 15,244 |
| Changes in assumptions | (8,077) | (24,923) | (45,342) | 47,826 | 21,288 | 22,048 | (9,837) |
| Economic/demographic gains or losses | - | (49,196) | - | (5,020) | - | - | - |
| Differences between expected and actual experience | - | - | - | - | - | (28,420) | - |
| Benefit payments | (13,096) | (10,374) | (22,850) | (43,430) | (35,120) | (46,906) | (34,855) |
| Net change in total OPEB liability | \$ 25,697 | \$ (33,074) | \$ (22,100) | \$ 43,387 | \$ 22,086 | \$ (19,644) | \$ (1,866) |
| Total OPEB liability - beginning | 414,033 | 447,107 | 469,207 | 425,820 | 403,734 | 423,378 | 425,244 |
| Total OPEB liability - ending | \$ 439,730 | \$ 414,033 | \$ 447,107 | \$ 469,207 | \$ 425,820 | \$ 403,734 | \$ 423,378 |
| Covered employee payroll | \$ 4,124,947 | \$ 4,124,947 | \$ 3,874,906 | \$ 3,874,906 | \$ 3,486,791 | \$ 3,486,791 | \$ 4,019,100 |
| Component Unit School Board's total OPEB liability (asset) as a percentage of payroll | 10.66% | 10.04% | 11.54% | 12.11% | 12.21% | 11.58% | 10.53% |

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

County of Bland, Virginia
Notes to Required Supplementary Information
Healthcare Plan
Component Unit School Board
For the Year Ended June 30, 2024

Valuation Date: 7/1/2022
Measurement Date: 6/30/2024

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

Methods and assumptions used to determine OPEB liability:

| | |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Salary Increase Rates | 3.50% - 5.35% based on years of service for general employees; 3.50% - 5.35% based on years of service for teachers |
| Inflation | 2.50% |
| Discount Rate | 3.93% |
| Health Care Cost Trend | 6.30% in 2023 then grading to an ultimate rate of 3.90% over 55 years. |
| Mortality Rates (General Employees) | <p>Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. 25% of deaths are assumed to be service related.</p> <p>Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.</p> <p>Post Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.</p> <p>Beneficiaries and survivors: Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally; 110% of rates for males and females. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.</p> |
| Mortality Rates (Teachers) | <p>Pre-Retirement: Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. 5% of deaths are assumed to be service related.</p> <p>Post-Retirement: Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.</p> <p>Post Disablement: Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.</p> <p>Beneficiaries and survivors: Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.</p> |

County of Bland, Virginia
Schedule of Employer's Share of Net OPEB Liability
Group Life Insurance (GLI) Plan
For the Measurement Dates of June 30, 2017 through June 30, 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 | 0.01344% \$ | 161,188 \$ | 3,166,487 | 5.09% | 69.30% |
| 2022 | 0.01360% | 163,998 | 2,962,606 | 5.54% | 67.21% |
| 2021 | 0.01370% | 159,505 | 2,828,580 | 5.64% | 67.45% |
| 2020 | 0.01310% | 219,452 | 2,706,407 | 8.11% | 52.64% |
| 2019 | 0.01318% | 214,473 | 2,583,204 | 8.30% | 52.00% |
| 2018 | 0.01315% | 199,000 | 2,499,999 | 7.96% | 51.22% |
| 2017 | 0.01222% | 184,000 | 2,253,598 | 8.16% | 48.86% |
| Component Unit School Board (nonprofessional) | | | | | |
| 2023 | 0.00210% \$ | 25,186 \$ | 495,166 | 5.09% | 69.30% |
| 2022 | 0.00110% | 13,245 | 238,308 | 5.56% | 67.21% |
| 2021 | 0.00110% | 12,690 | 225,415 | 5.63% | 67.45% |
| 2020 | 0.00170% | 28,537 | 352,491 | 8.10% | 52.64% |
| 2019 | 0.00177% | 28,802 | 347,325 | 8.29% | 52.00% |
| 2018 | 0.00204% | 31,000 | 388,950 | 7.97% | 51.22% |
| 2017 | 0.00244% | 37,000 | 449,747 | 8.23% | 48.86% |
| Component Unit School Board (professional) | | | | | |
| 2023 | 0.01748% \$ | 209,640 \$ | 4,116,841 | 5.09% | 69.30% |
| 2022 | 0.01850% | 222,758 | 4,025,071 | 5.53% | 67.21% |
| 2021 | 0.01830% | 212,829 | 3,773,300 | 5.64% | 67.45% |
| 2020 | 0.01760% | 294,549 | 3,631,615 | 8.11% | 52.64% |
| 2019 | 0.01798% | 292,583 | 3,524,850 | 8.30% | 52.00% |
| 2018 | 0.01909% | 290,000 | 3,628,766 | 7.99% | 51.22% |
| 2017 | 0.02102% | 316,000 | 3,876,929 | 8.15% | 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 Bland, 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) |
|------------------------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------|---------------------------------------------------------|
| Primary Government | | | | | |
| 2024 | \$ 18,412 | \$ 18,412 | \$ - | \$ 3,409,696 | 0.54% |
| 2023 | 17,099 | 17,099 | - | 3,166,487 | 0.54% |
| 2022 | 15,998 | 15,998 | - | 2,962,606 | 0.54% |
| 2021 | 15,274 | 15,274 | - | 2,828,580 | 0.54% |
| 2020 | 14,073 | 14,073 | - | 2,706,407 | 0.52% |
| 2019 | 13,000 | 13,000 | - | 2,583,204 | 0.50% |
| 2018 | 13,000 | 13,000 | - | 2,499,999 | 0.52% |
| 2017 | 12,000 | 12,000 | - | 2,253,598 | 0.53% |
| 2016 | 10,121 | 10,121 | - | 2,108,547 | 0.48% |
| 2015 | 9,681 | 9,681 | - | 2,016,907 | 0.48% |
| Component Unit School Board (nonprofessional) | | | | | |
| 2024 | \$ 3,134 | \$ 3,134 | \$ - | \$ 580,301 | 0.54% |
| 2023 | 2,674 | 2,674 | - | 495,166 | 0.54% |
| 2022 | 1,287 | 1,287 | - | 238,308 | 0.54% |
| 2021 | 1,217 | 1,217 | - | 225,415 | 0.54% |
| 2020 | 1,833 | 1,833 | - | 352,491 | 0.52% |
| 2019 | 2,000 | 2,000 | - | 347,325 | 0.58% |
| 2018 | 2,000 | 2,000 | - | 388,950 | 0.51% |
| 2017 | 2,000 | 2,000 | - | 449,747 | 0.44% |
| 2016 | 1,975 | 1,975 | - | 411,381 | 0.48% |
| 2015 | 2,142 | 2,142 | - | 446,288 | 0.48% |
| Component Unit School Board (professional) | | | | | |
| 2024 | \$ 24,342 | \$ 24,342 | \$ - | \$ 4,507,698 | 0.54% |
| 2023 | 22,231 | 22,231 | - | 4,116,841 | 0.54% |
| 2022 | 21,735 | 21,735 | - | 4,025,071 | 0.54% |
| 2021 | 20,376 | 20,376 | - | 3,773,300 | 0.54% |
| 2020 | 18,884 | 18,884 | - | 3,631,615 | 0.52% |
| 2019 | 18,000 | 18,000 | - | 3,524,850 | 0.51% |
| 2018 | 19,000 | 19,000 | - | 3,628,766 | 0.52% |
| 2017 | 20,000 | 20,000 | - | 3,876,929 | 0.52% |
| 2016 | 17,769 | 17,769 | - | 3,701,791 | 0.48% |
| 2015 | 18,747 | 18,747 | - | 3,905,628 | 0.48% |

County of Bland, 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 Bland, Virginia
Schedule of Changes in the Employer's Net OPEB Liability (Asset) and Related Ratios
Primary Government
Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2023

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|
| Total HIC OPEB Liability | | | | | | | |
| Service cost | \$ 472 | \$ 648 | \$ 838 | \$ 781 | \$ 1,591 | \$ 2,000 | \$ 2,000 |
| Interest | 2,348 | 2,674 | 3,003 | 3,217 | 2,907 | 3,000 | 3,000 |
| Differences between expected and actual experience | 1,345 | (2,377) | (6,375) | (3,523) | 4,558 | (4,000) | - |
| Changes of assumptions | - | (2,935) | 293 | - | 1,133 | - | (2,000) |
| Benefit payments | (2,266) | (3,072) | (3,492) | (3,786) | (4,339) | (4,000) | (3,000) |
| Other changes | - | - | - | - | (301) | - | (1,000) |
| Net change in total HIC OPEB liability | \$ 1,899 | \$ (5,062) | \$ (5,733) | \$ (3,311) | \$ 5,549 | \$ (3,000) | \$ (1,000) |
| Total HIC OPEB Liability - beginning | 35,443 | 40,505 | 46,238 | 49,549 | 44,000 | 47,000 | 48,000 |
| Total HIC OPEB Liability - ending (a) | \$ 37,342 | \$ 35,443 | \$ 40,505 | \$ 46,238 | \$ 49,549 | \$ 44,000 | \$ 47,000 |
| Plan fiduciary net position | | | | | | | |
| Contributions - employer | \$ 5,781 | \$ 5,632 | \$ 5,534 | \$ 5,344 | \$ 4,954 | \$ 5,000 | \$ 4,000 |
| Net investment income | 1,005 | (48) | 2,181 | 154 | 324 | - | - |
| Benefit payments | (2,266) | (3,072) | (3,492) | (3,786) | (4,339) | (4,000) | (3,000) |
| Administrator charges | (26) | (27) | (33) | (14) | (6) | - | - |
| Other Changes | 81 | 1,523 | - | - | - | - | - |
| Net change in plan fiduciary net position | \$ 4,575 | \$ 4,008 | \$ 4,190 | \$ 1,698 | \$ 933 | \$ 1,000 | \$ 1,000 |
| Plan fiduciary net position - beginning | 15,829 | 11,821 | 7,631 | 5,933 | 5,000 | 4,000 | 3,000 |
| Plan fiduciary net position - ending (b) | \$ 20,404 | \$ 15,829 | \$ 11,821 | \$ 7,631 | \$ 5,933 | \$ 5,000 | \$ 4,000 |
| Employer's net HIC OPEB liability- ending (a) - (b) | \$ 16,938 | \$ 19,614 | \$ 28,684 | \$ 38,607 | \$ 43,616 | \$ 39,000 | \$ 43,000 |
| Plan fiduciary net position as a percentage of the total HIC OPEB liability | 54.64% | 44.66% | 29.18% | 16.50% | 11.97% | 11.36% | 8.51% |
| Covered payroll | \$ 1,070,578 | \$ 1,043,054 | \$ 1,024,740 | \$ 989,630 | \$ 917,303 | \$ 856,974 | \$ 724,044 |
| Employer's net HIC OPEB liability as a percentage of covered payroll | 1.58% | 1.88% | 2.80% | 3.90% | 4.75% | 4.55% | 5.94% |

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 Bland, Virginia
Schedule of Changes in the Employer's Net OPEB Liability (Asset) and Related Ratios
Component Unit School Board (nonprofessional)
Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2020 through June 30, 2023

| | 2023 | 2022 | 2021 | 2020 |
|------------------------------------------------------------------------------------|--------------------|-------------------|-------------------|-------------------|
| Total HIC OPEB Liability | | | | |
| Service cost | \$ 430 | \$ 451 | \$ 459 | \$ - |
| Interest | 4,662 | 3,740 | 3,488 | - |
| Benefit changes | - | - | - | 51,679 |
| Differences between expected and actual experience | (24,772) | 8,501 | - | - |
| Changes of assumptions | - | 3,904 | 603 | - |
| Benefit payments | (3,258) | (2,556) | - | - |
| Net change in total HIC OPEB liability | \$ (22,938) | \$ 14,040 | \$ 4,550 | \$ 51,679 |
| Total HIC OPEB Liability - beginning | 70,269 | 56,229 | 51,679 | - |
| Total HIC OPEB Liability - ending (a) | \$ 47,331 | \$ 70,269 | \$ 56,229 | \$ 51,679 |
| Plan fiduciary net position | | | | |
| Contributions - employer | \$ 11,736 | \$ 2,621 | \$ 2,480 | \$ - |
| Net investment income | 501 | (14) | 293 | - |
| Benefit payments | (3,258) | (2,556) | - | - |
| Administrator charges | (18) | (4) | (11) | - |
| Other | (1) | - | - | - |
| Net change in plan fiduciary net position | \$ 8,960 | \$ 47 | \$ 2,762 | \$ - |
| Plan fiduciary net position - beginning | 2,809 | 2,762 | - | - |
| Plan fiduciary net position - ending (b) | \$ 11,769 | \$ 2,809 | \$ 2,762 | \$ - |
| Employer's net HIC OPEB liability- ending (a) - (b) | \$ 35,562 | \$ 67,460 | \$ 53,467 | \$ 51,679 |
| Plan fiduciary net position as a percentage of the total HIC OPEB liability | 24.87% | 4.00% | 4.91% | 0.00% |
| Covered payroll | \$ 495,166 | \$ 238,308 | \$ 225,415 | \$ 352,491 |
| Employer's net HIC OPEB liability as a percentage of covered payroll | 7.18% | 28.31% | 23.72% | 14.66% |

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

County of Bland, Virginia
Schedule of Employer Contributions
Health Insurance Credit (HIC) 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) |
|------------------------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------|---------------------------------------------------------|
| Primary Government | | | | | |
| 2024 | \$ 6,216 | \$ 6,216 | \$ - | \$ 1,151,203 | 0.54% |
| 2023 | 5,781 | 5,781 | - | 1,070,578 | 0.54% |
| 2022 | 5,632 | 5,632 | - | 1,043,054 | 0.54% |
| 2021 | 5,534 | 5,534 | - | 1,024,740 | 0.54% |
| 2020 | 5,344 | 5,344 | - | 989,630 | 0.54% |
| 2019 | 5,000 | 5,000 | - | 917,303 | 0.55% |
| 2018 | 4,000 | 4,000 | - | 856,974 | 0.47% |
| 2017 | 4,000 | 4,000 | - | 724,044 | 0.55% |
| 2016 | 2,941 | 2,941 | - | 639,327 | 0.46% |
| 2015 | 2,653 | 2,653 | - | 576,807 | 0.46% |
| Component Unit School Board (nonprofessional) | | | | | |
| 2024 | \$ 13,753 | \$ 13,753 | \$ - | \$ 580,301 | 2.37% |
| 2023 | 11,735 | 11,735 | - | 495,166 | 2.37% |
| 2022 | 2,621 | 2,621 | - | 238,308 | 1.10% |
| 2021 | 2,480 | 2,480 | - | 225,415 | 1.10% |

Schedule is intended to show information for 10 years. Component Unit School Board (nonprofessional) Information prior to the 2021 valuation is not available. However, additional years will be included as they become available.

*The Component Unit School Board (nonprofessional) entered into the HIC plan in fiscal year 2021.

County of Bland, 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 |

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 Bland, 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 (Asset) as a Percentage of Covered Payroll (3)/(4) (5) | Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6) |
|-------------|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| 2023 | 0.04130% \$ | 500,194 \$ | 4,116,841 | 12.15% | 17.90% |
| 2022 | 0.04319% | 539,463 | 4,025,071 | 13.40% | 15.08% |
| 2021 | 0.04267% | 547,699 | 3,773,300 | 14.52% | 13.15% |
| 2020 | 0.04140% | 540,331 | 3,631,615 | 14.88% | 9.95% |
| 2019 | 0.04202% | 550,083 | 3,524,850 | 15.61% | 8.97% |
| 2018 | 0.04487% | 570,000 | 3,628,766 | 15.71% | 8.08% |
| 2017 | 0.04912% | 623,000 | 3,876,929 | 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 Bland, Virginia
Schedule of Employer Contributions
Teacher Employee Health Insurance Credit (HIC) Plan
For the Years Ended June 30, 2015 through June 30, 2024

| | | Contributions in Relation to | | | Contributions |
|------|-------------------------------------------|-------------------------------------------|----------------------------------------|----------------------------------|---------------------------------|
| | Contractually Required Contribution | Contractually Required Contribution | Contribution Deficiency (Excess) | Employer's Covered Payroll | as a % of Covered Payroll |
| Date | (1) | (2) | (3) | (4) | (5) |
| 2024 | \$ 54,543 | \$ 54,543 | \$ - | \$ 4,507,698 | 1.21% |
| 2023 | 49,814 | 49,814 | - | 4,116,841 | 1.21% |
| 2022 | 48,703 | 48,703 | - | 4,025,071 | 1.21% |
| 2021 | 45,657 | 45,657 | - | 3,773,300 | 1.21% |
| 2020 | 43,579 | 43,579 | - | 3,631,615 | 1.20% |
| 2019 | 42,000 | 42,000 | - | 3,524,850 | 1.19% |
| 2018 | 45,000 | 45,000 | - | 3,628,766 | 1.24% |
| 2017 | 43,000 | 43,000 | - | 3,876,929 | 1.11% |
| 2016 | 39,239 | 39,239 | - | 3,701,791 | 1.06% |
| 2015 | 41,400 | 41,400 | - | 3,905,628 | 1.06% |

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

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

Changes of assumptions - The actuarial assumptions used in the June 30, 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 Bland, Virginia
Combining Statement of Net Position
Proprietary Funds
June 30, 2024

| | Enterprise Fund | | |
|----------------------------------------------------------|-------------------|---------------|---------------|
| | Service Authority | | |
| | Water | Sewer | Total |
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 50,429 | \$ 70,740 | \$ 121,169 |
| Accounts receivable, net of allowance for uncollectibles | 76,337 | 73,343 | 149,680 |
| Total current assets | \$ 126,766 | \$ 144,083 | \$ 270,849 |
| Noncurrent assets: | | | |
| Restricted assets: | | | |
| Cash and cash equivalents | \$ 28,428 | \$ 250,418 | \$ 278,846 |
| Capital assets: | | | |
| Capital assets, not being depreciated | \$ 607,750 | \$ 464,748 | \$ 1,072,498 |
| Capital assets, net of accumulated depreciation | 5,536,976 | 10,179,328 | 15,716,304 |
| Total capital assets | \$ 6,144,726 | \$ 10,644,076 | \$ 16,788,802 |
| Total noncurrent assets | \$ 6,173,154 | \$ 10,894,494 | \$ 17,067,648 |
| Total assets | \$ 6,299,920 | \$ 11,038,577 | \$ 17,338,497 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension related items | \$ 11,723 | \$ 21,583 | \$ 33,306 |
| Total deferred outflows of resources | \$ 11,723 | \$ 21,583 | \$ 33,306 |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 15,273 | \$ 9,093 | \$ 24,366 |
| Customers' deposits | 9,600 | - | 9,600 |
| Accrued interest payable | 6,409 | 6,321 | 12,730 |
| Compensated absences - current portion | 11,493 | 12,686 | 24,179 |
| Bonds payable - current portion | 54,284 | 157,729 | 212,013 |
| Total current liabilities | \$ 97,059 | \$ 185,829 | \$ 282,888 |
| Noncurrent liabilities: | | | |
| Bonds payable - net of current portion | \$ 1,757,757 | \$ 5,972,494 | \$ 7,730,251 |
| Compensated absences - net of current portion | 3,830 | 4,228 | 8,058 |
| Net pension liability | 15,462 | 37,082 | 52,544 |
| Total noncurrent liabilities | \$ 1,777,049 | \$ 6,013,804 | \$ 7,790,853 |
| Total liabilities | \$ 1,874,108 | \$ 6,199,633 | \$ 8,073,741 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension related items | \$ 17,045 | \$ 10,239 | \$ 27,284 |
| Total deferred inflows of resources | \$ 17,045 | \$ 10,239 | \$ 27,284 |
| NET POSITION | | | |
| Net investment in capital assets | \$ 4,332,685 | \$ 4,513,853 | \$ 8,846,538 |
| Restricted: | | | |
| Debt service and bond covenants | 28,428 | 250,418 | 278,846 |
| Unrestricted | 59,377 | 86,017 | 145,394 |
| Total net position | \$ 4,420,490 | \$ 4,850,288 | \$ 9,270,778 |

County of Bland, Virginia
Combining Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2024

| | Enterprise Fund | | |
|----------------------------------------------------------|-------------------|--------------|--------------|
| | Service Authority | | |
| | <u>Water</u> | <u>Sewer</u> | <u>Total</u> |
| OPERATING REVENUES | | | |
| Charges for services: | | | |
| Water revenues | \$ 408,955 | \$ - | \$ 408,955 |
| Sewer revenues | - | 399,350 | 399,350 |
| Connection fees | 6,165 | - | 6,165 |
| Penalties | 23,803 | - | 23,803 |
| Other revenues | 12,003 | - | 12,003 |
| Miscellaneous | 5,983 | - | 5,983 |
| Total operating revenues | \$ 456,909 | \$ 399,350 | \$ 856,259 |
| OPERATING EXPENSES | | | |
| Salaries and fringes | \$ 60,899 | \$ 156,794 | \$ 217,693 |
| Utilities | 24,391 | 83,767 | 108,158 |
| Purchase of chemicals | - | 22,719 | 22,719 |
| Purchase of water | 235,398 | - | 235,398 |
| Maintenance and repairs | 38,961 | 60,190 | 99,151 |
| Office expense | 1,875 | 2,986 | 4,861 |
| Insurance | 2,747 | 8,275 | 11,022 |
| Permits | 2,127 | 3,180 | 5,307 |
| Professional services | 3,903 | 327 | 4,230 |
| Miscellaneous | 5,752 | 3,334 | 9,086 |
| Depreciation | 291,828 | 412,787 | 704,615 |
| Total operating expenses | \$ 667,881 | \$ 754,359 | \$ 1,422,240 |
| Operating income (loss) | \$ (210,972) | \$ (355,009) | \$ (565,981) |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Investment income | \$ 1,473 | \$ - | \$ 1,473 |
| Interest expense | (38,446) | (144,872) | (183,318) |
| Total nonoperating revenues (expenses) | \$ (36,973) | \$ (144,872) | \$ (181,845) |
| Income before contributions and transfers | \$ (247,945) | \$ (499,881) | \$ (747,826) |
| Capital contributions and construction grants | \$ 100,000 | \$ - | \$ 100,000 |
| Transfers in (contributions from primary government) | 132,197 | 313,409 | 445,606 |
| Transfers out (project repayments to primary government) | (31,865) | (44,236) | (76,101) |
| Change in net position | \$ (47,613) | \$ (230,708) | \$ (278,321) |
| Net position - beginning | 4,468,103 | 5,080,996 | 9,549,099 |
| Net position - ending | \$ 4,420,490 | \$ 4,850,288 | \$ 9,270,778 |

County of Bland, Virginia
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

| | Enterprise Fund Service Authority | | |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------|--------------|
| | Water | Sewer | Total |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers and users | \$ 440,616 | \$ 383,696 | \$ 824,312 |
| Payments to suppliers | (313,270) | (182,252) | (495,522) |
| Payments to and for employees | (43,135) | (160,937) | (204,072) |
| Net cash provided by (used for) operating activities | \$ 84,211 | \$ 40,507 | \$ 124,718 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Transfers to primary government | \$ (31,865) | \$ (44,236) | \$ (76,101) |
| Contributions from primary government or component unit | 132,197 | 313,409 | 445,606 |
| Net cash provided by (used for) noncapital financing activities | \$ 100,332 | \$ 269,173 | \$ 369,505 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Additions to capital assets | \$ (171,637) | \$ (118,060) | \$ (289,697) |
| Principal payments on bonds | (53,029) | (153,897) | (206,926) |
| Capital contributions received | 100,174 | - | 100,174 |
| Interest expense | (38,767) | (145,024) | (183,791) |
| Net cash provided by (used for) capital and related financing activities | \$ (163,259) | \$ (416,981) | \$ (580,240) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest income | \$ 1,473 | \$ - | \$ 1,473 |
| Net cash provided by (used for) investing activities | \$ 1,473 | \$ - | \$ 1,473 |
| Net increase (decrease) in cash and cash equivalents | \$ 22,757 | \$ (107,301) | \$ (84,544) |
| Cash and cash equivalents - beginning (including restricted cash and cash equivalents of \$13,153 and \$229,329, respectively) | 56,100 | 428,459 | 484,559 |
| Cash and cash equivalents - ending (including restricted cash and cash equivalents of \$28,428 and \$250,418, respectively) | \$ 78,857 | \$ 321,158 | \$ 400,015 |
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities: | | | |
| Operating income (loss) | \$ (210,972) | \$ (355,009) | \$ (565,981) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | |
| Depreciation | \$ 291,828 | \$ 412,787 | \$ 704,615 |
| (Increase) decrease in accounts receivable | (16,293) | (15,654) | (31,947) |
| (Increase) decrease in deferred outflows of resources | 26,811 | 7,999 | 34,810 |
| Increase (decrease) in accounts payable | 1,884 | 2,526 | 4,410 |
| Increase (decrease) compensated absences | 7,003 | (4,425) | 2,578 |
| Increase (decrease) in net pension liability | (4,746) | 2,692 | (2,054) |
| Increase (decrease) in deferred inflows of resources | (11,304) | (10,409) | (21,713) |
| Total adjustments | \$ 295,183 | \$ 395,516 | \$ 690,699 |
| Net cash provided by (used for) operating activities | \$ 84,211 | \$ 40,507 | \$ 124,718 |

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

**DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
MAJOR GOVERNMENTAL FUNDS**

School Operating Fund - The School Operating Fund is the primary operating fund of the School Board and accounts for all revenues and expenditures applicable to the general operations of the County's school system. Financing is provided by the State and Federal governments as well as contributions from the General Fund.

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

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

| | School Operating Fund | School Activity Fund | Total School Fund |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------------|-------------------------|
| ASSETS | | | |
| Cash and cash equivalents | 3,762,935 | \$ - | \$ 3,762,935 |
| Cash in custody of others | 148,326 | 190,636 | 338,962 |
| Due from primary government | 51,263 | - | 51,263 |
| Due from other governmental units | 310,050 | - | 310,050 |
| Prepaid items | 163,093 | - | 163,093 |
| Total assets | <u>\$ 4,435,667</u> | <u>\$ 190,636</u> | <u>\$ 4,626,303</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 48,898 | \$ - | \$ 48,898 |
| Accrued payroll | 678,577 | - | 678,577 |
| Total liabilities | <u>\$ 727,475</u> | <u>\$ -</u> | <u>\$ 727,475</u> |
| FUND BALANCES | | | |
| Nonspendable: | | | |
| Prepaid items | \$ 163,093 | \$ - | \$ 163,093 |
| Restricted: | | | |
| School cafeteria | 148,326 | - | 148,326 |
| School activity fund | - | 190,636 | 190,636 |
| School construction funds | 1,047,694 | - | 1,047,694 |
| Assigned: | | | |
| Textbook payments | 217,727 | - | 217,727 |
| Future school construction | 1,781,127 | - | 1,781,127 |
| Other school funds | 37,810 | - | 37,810 |
| Unassigned | 312,415 | - | 312,415 |
| Total fund balances | <u>\$ 3,708,192</u> | <u>\$ 190,636</u> | <u>\$ 3,898,828</u> |
| Total liabilities and fund balances | <u>\$ 4,435,667</u> | <u>\$ 190,636</u> | <u>\$ 4,626,303</u> |
| Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because: | | | |
| Total fund balances per above | | | \$ 3,898,828 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | | |
| Capital assets, not being depreciated | | \$ 1,546,132 | |
| Capital assets being depreciated | | 8,586,717 | |
| Accumulated depreciation | | <u>(5,668,046)</u> | 4,464,803 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. | | | |
| Net pension asset | | | 114,728 |
| Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds | | | |
| Pension related items | | \$ 1,404,672 | |
| OPEB related items | | <u>195,298</u> | 1,599,970 |
| Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds. | | | |
| Net OPEB liabilities | | \$ (1,210,312) | |
| Compensated absences | | (90,419) | |
| Net pension liability | | <u>(4,212,683)</u> | (5,513,414) |
| Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds. | | | |
| Pension related items | | \$ (651,365) | |
| OPEB related items | | <u>(229,341)</u> | (880,706) |
| Net position of governmental activities | | | <u>\$ 3,684,209</u> |

County of Bland, 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* | Total School Fund |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|-------------------------|
| REVENUES | | | |
| Revenue from the use of money and property | \$ 90,366 | \$ - | \$ 90,366 |
| Charges for services | 100,767 | 235,290 | 336,057 |
| Miscellaneous | 358,582 | - | 358,582 |
| Recovered costs | 133,548 | - | 133,548 |
| Intergovernmental: | | | |
| Local government | 2,918,833 | - | 2,918,833 |
| Commonwealth | 7,530,664 | - | 7,530,664 |
| Federal | 1,115,242 | - | 1,115,242 |
| Total revenues | <u>\$ 12,248,002</u> | <u>\$ 235,290</u> | <u>\$ 12,483,292</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Education | <u>\$ 11,689,748</u> | <u>\$ 307,065</u> | <u>\$ 11,996,813</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ 558,254</u> | <u>\$ (71,775)</u> | <u>\$ 486,479</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | \$ 17,329 | \$ 71,044 | \$ 88,373 |
| Transfers out | (71,044) | (17,329) | (88,373) |
| Total other financing sources (uses) | <u>\$ (53,715)</u> | <u>\$ 53,715</u> | <u>\$ -</u> |
| Net change in fund balances | \$ 504,539 | \$ (18,060) | \$ 486,479 |
| Fund balances - beginning | 3,203,653 | 208,696 | 3,412,349 |
| Fund balances - ending | <u>\$ 3,708,192</u> | <u>\$ 190,636</u> | <u>\$ 3,898,828</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 | | | \$ 486,479 |
| 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 | | \$ 294,677 | |
| Depreciation expense | | <u>(307,180)</u> | (12,503) |
| 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 | | <u>\$ 61,460</u> | 61,460 |
| 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 | | \$ (1,256) | |
| Change in pension related items | | 433,837 | |
| Change in OPEB related items | | <u>50,415</u> | 482,996 |
| Change in net position of governmental activities | | | <u>\$ 1,018,432</u> |

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

County of Bland, 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 | | | Variance with Final Budget Positive Positive (Negative) |
|-----------------------------------------------------------|-----------------------|---------------|---------------|---------------------------------------------------------------------|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| REVENUES | | | | |
| Revenue from the use of money and property | \$ - | \$ - | \$ 90,366 | \$ 90,366 |
| Charges for services | 254,532 | 254,532 | 100,767 | (153,765) |
| Miscellaneous | 310,520 | 310,520 | 358,582 | 48,062 |
| Recovered costs | 120,000 | 120,000 | 133,548 | 13,548 |
| Intergovernmental: | | | | |
| Local government | 4,175,026 | 4,175,026 | 2,918,833 | (1,256,193) |
| Commonwealth | 7,271,314 | 7,271,314 | 7,530,664 | 259,350 |
| Federal | 1,224,424 | 1,224,424 | 1,115,242 | (109,182) |
| Total revenues | \$ 13,355,816 | \$ 13,355,816 | \$ 12,248,002 | \$ (1,107,814) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Education | \$ 13,355,816 | \$ 13,355,816 | \$ 11,689,748 | \$ 1,666,068 |
| Excess (deficiency) of revenues over (under) expenditures | \$ - | \$ - | \$ 558,254 | \$ 558,254 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | \$ - | \$ - | \$ 17,329 | \$ 17,329 |
| Transfers out | - | - | (71,044) | (71,044) |
| Total other financing sources (uses) | \$ - | \$ - | \$ (53,715) | \$ (53,715) |
| Net change in fund balances | \$ - | \$ - | \$ 504,539 | \$ 504,539 |
| Fund balances - beginning | - | - | 3,203,653 | 3,203,653 |
| Fund balances - ending | \$ - | \$ - | \$ 3,708,192 | \$ 3,708,192 |

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

| <u>Fund, Major and Minor Revenue Source</u> | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|--------------------------------------------------------|----------------------------|-------------------------|---------------|---------------------------------------------------------------------|
| General Fund: | | | | |
| Revenue from local sources: | | | | |
| General property taxes: | | | | |
| Real property taxes | \$ 2,801,986 | \$ 2,801,986 | \$ 2,801,548 | \$ (438) |
| Real and personal public service corporation taxes | 598,086 | 598,086 | 562,870 | (35,216) |
| Personal property taxes | 1,548,163 | 1,548,163 | 1,651,608 | 103,445 |
| Mobile home taxes | 17,973 | 17,973 | 16,736 | (1,237) |
| Machinery and tools taxes | 271,451 | 271,451 | 319,744 | 48,293 |
| Merchant's capital taxes | 213,948 | 213,948 | 165,072 | (48,876) |
| Penalties | 21,500 | 21,500 | 51,684 | 30,184 |
| Interest | 20,000 | 20,000 | 80,098 | 60,098 |
| Total general property taxes | \$ 5,493,107 | \$ 5,493,107 | \$ 5,649,360 | \$ 156,253 |
| Other local taxes: | | | | |
| Local sales and use taxes | \$ 502,367 | \$ 502,367 | \$ 571,790 | \$ 69,423 |
| Consumers' utility taxes | 160,000 | 160,000 | 165,031 | 5,031 |
| Consumption taxes | 20,000 | 20,000 | 20,185 | 185 |
| Gross receipts taxes | 1,000 | 1,000 | 1,505 | 505 |
| Franchise license tax | - | - | 31,609 | 31,609 |
| Motor vehicle licenses | 95,000 | 95,000 | 119,529 | 24,529 |
| Taxes on recordation and wills | 20,000 | 20,000 | 36,875 | 16,875 |
| Hotel and motel room taxes | 27,500 | 27,500 | 44,476 | 16,976 |
| Restaurant food taxes | 360,000 | 360,000 | 355,587 | (4,413) |
| Tobacco tax | 140,000 | 140,000 | 109,125 | (30,875) |
| Total other local taxes | \$ 1,325,867 | \$ 1,325,867 | \$ 1,455,712 | \$ 129,845 |
| Permits, privilege fees, and regulatory licenses: | | | | |
| Animal licenses | \$ 2,200 | \$ 2,200 | \$ 1,108 | \$ (1,092) |
| Land use application fees | 1,000 | 1,000 | 512 | (488) |
| Transfer fees | - | - | 329 | 329 |
| Building permits | 17,000 | 17,000 | 20,801 | 3,801 |
| Permits and other licenses | 400 | 400 | 350 | (50) |
| Total permits, privilege fees, and regulatory licenses | \$ 20,600 | \$ 20,600 | \$ 23,100 | \$ 2,500 |
| Fines and forfeitures: | | | | |
| Court fines and forfeitures | \$ 284,000 | \$ 344,000 | \$ 509,739 | \$ 165,739 |
| Dog violation fines | 25 | 25 | - | (25) |
| Total fines and forfeitures | \$ 284,025 | \$ 344,025 | \$ 509,739 | \$ 165,714 |
| Revenue from use of money and property: | | | | |
| Revenue from use of money | \$ 17,300 | \$ 17,300 | \$ 186,652 | \$ 169,352 |
| Revenue from use of property | 4,000 | 4,000 | 3,657 | (343) |
| Total revenue from use of money and property | \$ 21,300 | \$ 21,300 | \$ 190,309 | \$ 169,009 |
| Charges for services: | | | | |
| Charges for sheriff's fees | \$ 325 | \$ 325 | \$ 771 | \$ 446 |
| Charges for courthouse maintenance | 14,000 | 14,000 | 11,968 | (2,032) |
| Charges for law library | 700 | 700 | 795 | 95 |
| Charges for Commonwealth's Attorney | 250 | 250 | 493 | 243 |
| Charges for sanitation and waste removal | 507,539 | 507,539 | 400,338 | (107,201) |
| Charges for cannery | 6,000 | 6,000 | 6,641 | 641 |
| Charges for library | 3,890 | 3,890 | 4,652 | 762 |
| Charges for forest service coop law enforcement | 2,640 | 2,640 | - | (2,640) |
| Other charges for services | 6,747 | 6,747 | 17,099 | 10,352 |
| Total charges for services | \$ 542,091 | \$ 542,091 | \$ 442,757 | \$ (99,334) |

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

| <u>Fund, Major and Minor Revenue Source</u> | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|------------------------------------------------|----------------------------|-------------------------|---------------|---------------------------------------------------------------------|
| General Fund: (Continued) | | | | |
| Revenue from local sources: (Continued) | | | | |
| Miscellaneous: | | | | |
| Miscellaneous | \$ 844,588 | \$ 855,991 | \$ 168,465 | \$ (687,526) |
| Library donations | 7,500 | 9,750 | 12,129 | 2,379 |
| Crossroads Industrial Facilities Authority | 210,000 | 210,000 | 269,328 | 59,328 |
| Wythe Bland Community Foundation contribution | 7,000 | 21,500 | 16,666 | (4,834) |
| Opioid settlement funds | 42,000 | 42,000 | 46,668 | 4,668 |
| Total miscellaneous | \$ 1,111,088 | \$ 1,139,241 | \$ 513,256 | \$ (625,985) |
| Recovered costs: | | | | |
| Social services | \$ 57,919 | \$ 57,919 | \$ 55,389 | \$ (2,530) |
| Utilities | 1,500 | 1,500 | 1,129 | (371) |
| Schools | 46,063 | 46,063 | - | (46,063) |
| Soil and Water Conservation District payroll | - | - | 175,355 | 175,355 |
| Other recovered costs | 43,750 | 45,365 | 100,261 | 54,896 |
| Total recovered costs | \$ 149,232 | \$ 150,847 | \$ 332,134 | \$ 181,287 |
| Total revenue from local sources | \$ 8,947,310 | \$ 9,037,078 | \$ 9,116,367 | \$ 79,289 |
| Intergovernmental: | | | | |
| Revenue from the Commonwealth: | | | | |
| Noncategorical aid: | | | | |
| Motor vehicle carriers' tax | \$ 500 | \$ 500 | \$ 394 | \$ (106) |
| Mobile home titling tax | 20,000 | 20,000 | 41,666 | 21,666 |
| State recordation tax | 6,000 | 6,000 | 15,901 | 9,901 |
| Communications taxes | 75,000 | 75,000 | 68,140 | (6,860) |
| Regional improvement commission funds - casino | - | - | 713,390 | 713,390 |
| Personal property tax relief funds | 354,561 | 354,561 | 354,561 | - |
| Total noncategorical aid | \$ 456,061 | \$ 456,061 | \$ 1,194,052 | \$ 737,991 |
| Categorical aid: | | | | |
| Shared expenses: | | | | |
| Commonwealth's attorney | \$ 194,024 | \$ 198,082 | \$ 209,055 | \$ 10,973 |
| Sheriff | 645,834 | 658,771 | 663,349 | 4,578 |
| Commissioner of revenue | 101,772 | 105,245 | 111,279 | 6,034 |
| Treasurer | 91,933 | 95,033 | 100,766 | 5,733 |
| Registrar/electoral board | 60,000 | 60,000 | 67,181 | 7,181 |
| Clerk of the Circuit Court | 180,691 | 184,097 | 181,667 | (2,430) |
| Total shared expenses | \$ 1,274,254 | \$ 1,301,228 | \$ 1,333,297 | \$ 32,069 |
| Other categorical aid: | | | | |
| Public assistance and welfare administration | \$ 318,094 | \$ 320,206 | \$ 301,088 | \$ (19,118) |
| Comprehensive Services Act program | 369,787 | 369,787 | 335,218 | (34,569) |
| School Resource Officer | 32,487 | 32,487 | 34,679 | 2,192 |
| Litter control grant | 6,500 | 12,513 | 12,513 | - |
| Two-for-life | 6,300 | 6,300 | 6,498 | 198 |
| E-911 state revenue | 45,877 | 45,877 | 52,563 | 6,686 |
| Victim-witness grant | 20,454 | 20,454 | 31,208 | 10,754 |
| Fire program | 30,000 | 30,000 | 30,000 | - |
| State library grant | 59,793 | 70,530 | 70,290 | (240) |
| Mining royalties | 1,000 | 1,000 | - | (1,000) |
| Governor's Opportunity Funds | - | - | 140,000 | 140,000 |
| Department of justice grants | 31,829 | 353,531 | 51,022 | (302,509) |
| Total other categorical aid | \$ 922,121 | \$ 1,262,685 | \$ 1,065,079 | \$ (197,606) |
| Total categorical aid | \$ 2,196,375 | \$ 2,563,913 | \$ 2,398,376 | \$ (165,537) |
| Total revenue from the Commonwealth | \$ 2,652,436 | \$ 3,019,974 | \$ 3,592,428 | \$ 572,454 |

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

| <u>Fund, Major and Minor Revenue Source</u> | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|------------------------------------------------------------|----------------------------|-------------------------|---------------|---------------------------------------------------------------------|
| General Fund: (Continued) | | | | |
| Intergovernmental: (Continued) | | | | |
| Revenue from the federal government: | | | | |
| Noncategorical aid: | | | | |
| Payments in lieu of taxes | \$ 200,000 | \$ 200,000 | \$ 256,226 | \$ 56,226 |
| Categorical aid: | | | | |
| Victim-witness grant | \$ 42,954 | \$ 42,954 | \$ 46,859 | \$ 3,905 |
| Department of emergency management grant | - | - | 7,500 | 7,500 |
| Public assistance and welfare administration | 728,995 | 733,836 | 690,021 | (43,815) |
| DCJS Edward Byrne JAG grant | - | - | 960 | 960 |
| State homeland security grant | 196,000 | 196,000 | - | (196,000) |
| Highway planning and construction | 422,000 | 422,000 | 101,181 | (320,819) |
| Community Development Block Grant | 35,000 | 35,000 | - | (35,000) |
| American Rescue Plan Act (ARPA) COVID 19 | - | - | 63,771 | 63,771 |
| LATCF funds | 50,000 | 85,000 | 222,191 | 137,191 |
| Total categorical aid | \$ 1,474,949 | \$ 1,514,790 | \$ 1,132,483 | \$ (382,307) |
| Total revenue from the federal government | \$ 1,674,949 | \$ 1,714,790 | \$ 1,388,709 | \$ (326,081) |
| Total General Fund | \$ 13,274,695 | \$ 13,771,842 | \$ 14,097,504 | \$ 325,662 |
| Total Primary Government | \$ 13,274,695 | \$ 13,771,842 | \$ 14,097,504 | \$ 325,662 |
| Discretely Presented Component Unit - School Board: | | | | |
| School Operating Fund: | | | | |
| Revenue from local sources: | | | | |
| Revenue from use of money and property: | | | | |
| Revenue from the use of money | \$ - | \$ - | \$ 90,366 | \$ 90,366 |
| Charges for services: | | | | |
| Cafeteria sales | \$ 254,532 | \$ 254,532 | \$ 100,767 | \$ (153,765) |
| Miscellaneous: | | | | |
| Other miscellaneous | \$ 310,520 | \$ 310,520 | \$ 358,582 | \$ 48,062 |
| Recovered costs: | | | | |
| Miscellaneous recovered costs | \$ 120,000 | \$ 120,000 | \$ 133,548 | \$ 13,548 |
| Total revenue from local sources | \$ 685,052 | \$ 685,052 | \$ 683,263 | \$ (1,789) |
| Intergovernmental: | | | | |
| Revenues from local governments: | | | | |
| Contribution from County of Bland, Virginia | \$ 4,175,026 | \$ 4,175,026 | \$ 2,918,833 | \$ (1,256,193) |
| Revenue from the Commonwealth: | | | | |
| Categorical aid: | | | | |
| Share of state sales tax | \$ 914,931 | \$ 914,931 | \$ 879,185 | \$ (35,746) |
| Basic school aid | 3,385,182 | 3,385,182 | 3,337,816 | (47,366) |
| Regular foster care | 13,952 | 13,952 | - | (13,952) |
| Gifted and talented | 29,246 | 29,246 | 27,856 | (1,390) |
| Remedial education | 92,525 | 92,525 | 88,126 | (4,399) |
| Special education | 553,386 | 553,386 | 587,283 | 33,897 |
| Textbook payment | 70,393 | 70,393 | 67,047 | (3,346) |
| Vocational SOQ payments | 81,890 | 81,890 | 77,997 | (3,893) |
| Vocational adult education | 4,755 | 4,755 | - | (4,755) |
| School food | - | - | 13,938 | 13,938 |
| Social security fringe benefits | 197,280 | 197,280 | 187,901 | (9,379) |
| Retirement fringe benefits | 459,965 | 459,965 | 438,097 | (21,868) |
| Group life insurance benefits | 13,826 | 13,826 | 13,168 | (658) |

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

| <u>Fund, Major and Minor Revenue Source</u> | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|------------------------------------------------------------------------|----------------------------|-------------------------|---------------|---------------------------------------------------------------------|
| Discretely Presented Component Unit - School Board: (Continued) | | | | |
| School Operating Fund: (Continued) | | | | |
| Intergovernmental: (Continued) | | | | |
| Revenue from the Commonwealth: (Continued) | | | | |
| Early reading intervention | \$ 43,512 | \$ 43,512 | \$ 26,591 | \$ (16,921) |
| Dropout prevention | 3,370 | 3,370 | 3,370 | - |
| Vocation education - equipment | - | - | 5,248 | 5,248 |
| Homebound education | 6,894 | 6,894 | 3,881 | (3,013) |
| Salary supplement | 599,318 | 599,318 | 618,914 | 19,596 |
| At risk payments | 311,862 | 311,862 | 304,269 | (7,593) |
| Primary class size | 44,990 | 44,990 | 37,701 | (7,289) |
| Standards of Learning algebra readiness | 19,355 | 19,355 | 24,120 | 4,765 |
| Mentor teacher program | - | - | 741 | 741 |
| At risk four year olds | 32,445 | 32,445 | 54,074 | 21,629 |
| Technology initiative | 102,000 | 102,000 | 102,000 | - |
| Hold harmless | 76,612 | 76,612 | 76,612 | - |
| Small school enrollment loss | - | - | 349,054 | 349,054 |
| Other state funds | 213,625 | 213,625 | 205,675 | (7,950) |
| Total categorical aid | \$ 7,271,314 | \$ 7,271,314 | \$ 7,530,664 | \$ 259,350 |
| Total revenue from the Commonwealth | \$ 7,271,314 | \$ 7,271,314 | \$ 7,530,664 | \$ 259,350 |
| Revenue from the federal government: | | | | |
| Categorical aid: | | | | |
| Title I | \$ 166,358 | \$ 166,358 | \$ 132,192 | \$ (34,166) |
| Title I Part A | - | - | 12,041 | 12,041 |
| Title VI-B, flow-through/preschool | 247,566 | 247,566 | 192,179 | (55,387) |
| Title VI-B, preschool | 8,521 | 8,521 | 8,816 | 295 |
| Title II Part A | 22,859 | 22,859 | 17,882 | (4,977) |
| School food program | 604,346 | 604,346 | 469,999 | (134,347) |
| Schools and roads | - | - | 84,242 | 84,242 |
| Career and technical education | 12,475 | 12,475 | 13,066 | 591 |
| Other federal categorical | 162,299 | 162,299 | 184,825 | 22,526 |
| Total categorical aid | \$ 1,224,424 | \$ 1,224,424 | \$ 1,115,242 | \$ (109,182) |
| Total revenue from the federal government | \$ 1,224,424 | \$ 1,224,424 | \$ 1,115,242 | \$ (109,182) |
| Total School Operating Fund | \$ 13,355,816 | \$ 13,355,816 | \$ 12,248,002 | \$ (1,107,814) |

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

| <u>Fund, Function, Activity and Element</u> | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|---------------------------------------------|----------------------------|-------------------------|---------------|---------------------------------------------------------------------|
| General Fund: | | | | |
| General government administration: | | | | |
| Legislative: | | | | |
| Board of supervisors | \$ 78,261 | \$ 59,941 | \$ 52,324 | \$ 7,617 |
| General and financial administration: | | | | |
| County administrator | \$ 441,904 | \$ 446,307 | \$ 415,028 | \$ 31,279 |
| Commissioner of revenue | 250,836 | 262,120 | 252,005 | 10,115 |
| Treasurer | 233,641 | 249,973 | 237,933 | 12,040 |
| Legal services | 37,525 | 37,525 | 37,008 | 517 |
| Information technology | 103,659 | 100,969 | 100,806 | 163 |
| Auditors | 111,250 | 97,818 | 97,080 | 738 |
| Employee added benefit pool | 3,000 | 1,375 | 750 | 625 |
| Local government dues | 8,746 | 8,746 | 1,285 | 7,461 |
| Total general and financial administration | \$ 1,190,561 | \$ 1,204,833 | \$ 1,141,895 | \$ 62,938 |
| Board of elections: | | | | |
| Electoral board and officials | \$ 43,672 | \$ 52,672 | \$ 52,392 | \$ 280 |
| Registrar | 157,515 | 159,195 | 158,565 | 630 |
| Total board of elections | \$ 201,187 | \$ 211,867 | \$ 210,957 | \$ 910 |
| Total general government administration | \$ 1,470,009 | \$ 1,476,641 | \$ 1,405,176 | \$ 71,465 |
| Judicial administration: | | | | |
| Courts: | | | | |
| Circuit court | \$ 6,694 | \$ 6,694 | \$ 4,488 | \$ 2,206 |
| General district court | 1,634 | 2,117 | 2,520 | (403) |
| Magistrates | 375 | 375 | 75 | 300 |
| Juvenile and domestic relations court | 7,226 | 2,743 | 1,506 | 1,237 |
| Victim and witness assistance | 62,784 | 66,101 | 66,082 | 19 |
| Clerk of the circuit court | 274,077 | 290,843 | 274,895 | 15,948 |
| Law Library | 1,800 | 2,800 | 2,798 | 2 |
| Total courts | \$ 354,590 | \$ 371,673 | \$ 352,364 | \$ 19,309 |
| Commonwealth's attorney: | | | | |
| Commonwealth's attorney | \$ 258,087 | \$ 259,722 | \$ 258,504 | \$ 1,218 |
| Total judicial administration | \$ 612,677 | \$ 631,395 | \$ 610,868 | \$ 20,527 |
| Public safety: | | | | |
| Law enforcement and traffic control: | | | | |
| Sheriff | \$ 1,446,887 | \$ 1,537,620 | \$ 1,421,286 | \$ 116,334 |
| Ticket enforcement | 69,135 | 66,704 | 27,147 | 39,557 |
| School resource officer | 109,986 | 113,420 | 111,830 | 1,590 |
| Total law enforcement and traffic control | \$ 1,626,008 | \$ 1,717,744 | \$ 1,560,263 | \$ 157,481 |
| Fire and rescue services: | | | | |
| Fire department | \$ 182,500 | \$ 188,055 | \$ 175,346 | \$ 12,709 |
| Ambulance and rescue services | 344,025 | 330,325 | 114,583 | 215,742 |
| Other fire and rescue services | 15,945 | 15,945 | 15,443 | 502 |
| Total fire and rescue services | \$ 542,470 | \$ 534,325 | \$ 305,372 | \$ 228,953 |
| Correction and detention: | | | | |
| Regional jail | \$ 150,000 | \$ 127,340 | \$ 109,657 | \$ 17,683 |
| Courthouse security | 132,454 | 128,924 | 105,348 | 23,576 |
| Total correction and detention | \$ 282,454 | \$ 256,264 | \$ 215,005 | \$ 41,259 |

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

| <u>Fund, Function, Activity and Element</u> | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|----------------------------------------------------------|----------------------------|-------------------------|---------------|---------------------------------------------------------------------|
| General Fund: (Continued) | | | | |
| Public safety: (continued) | | | | |
| Inspections: | | | | |
| Building | \$ 107,036 | \$ 122,456 | \$ 122,119 | \$ 337 |
| Total inspections | \$ 107,036 | \$ 122,456 | \$ 122,119 | \$ 337 |
| Other protection: | | | | |
| Animal control | \$ 79,095 | \$ 82,271 | \$ 80,030 | \$ 2,241 |
| Medical examiner | 3,000 | 3,000 | 40 | 2,960 |
| E-911 | 173,001 | 484,619 | 183,132 | 301,487 |
| SLFR State & Local Fiscal Recovery | - | 35,000 | 35,000 | - |
| Total other protection | \$ 255,096 | \$ 604,890 | \$ 298,202 | \$ 306,688 |
| Total public safety | \$ 2,813,064 | \$ 3,235,679 | \$ 2,500,961 | \$ 734,718 |
| Public works: | | | | |
| Maintenance of highways, streets, bridges and sidewalks: | | | | |
| Streetlights | \$ 8,500 | \$ 11,600 | \$ 11,534 | \$ 66 |
| Sanitation and waste removal: | | | | |
| Refuse collection and disposal | \$ 574,680 | \$ 580,693 | \$ 541,102 | \$ 39,591 |
| Landfill closure | - | 1,500 | 1,326 | 174 |
| Total sanitation and waste removal | \$ 574,680 | \$ 582,193 | \$ 542,428 | \$ 39,765 |
| Maintenance of general buildings and grounds: | | | | |
| General properties | \$ 444,373 | \$ 473,418 | \$ 491,260 | \$ (17,842) |
| Canneries | 54,856 | 54,856 | 42,471 | 12,385 |
| Public works administration | 249,276 | 234,890 | 232,906 | 1,984 |
| Total maintenance of general buildings and grounds | \$ 748,505 | \$ 763,164 | \$ 766,637 | \$ (3,473) |
| Total public works | \$ 1,331,685 | \$ 1,356,957 | \$ 1,320,599 | \$ 36,358 |
| Health and welfare: | | | | |
| Health: | | | | |
| Supplement of local health department | \$ 121,674 | \$ 132,163 | \$ 121,674 | \$ 10,489 |
| Mental health and mental retardation: | | | | |
| Community services board | \$ 48,867 | \$ 48,867 | \$ 48,867 | \$ - |
| Welfare: | | | | |
| Welfare and public assistance | \$ 1,293,754 | \$ 1,300,707 | \$ 1,186,766 | \$ 113,941 |
| Elderly and handicapped services | 9,624 | 9,624 | 9,624 | - |
| Comprehensive services | 424,684 | 465,051 | 460,707 | 4,344 |
| Other welfare | 2,658 | 37,658 | 36,500 | 1,158 |
| Total welfare | \$ 1,730,720 | \$ 1,813,040 | \$ 1,693,597 | \$ 119,443 |
| Total health and welfare | \$ 1,901,261 | \$ 1,994,070 | \$ 1,864,138 | \$ 129,932 |
| Education: | | | | |
| Other instructional costs: | | | | |
| Contributions to Community College | \$ 9,344 | \$ 9,344 | \$ 9,343 | \$ 1 |
| Contribution to County School Board | 2,900,000 | 2,900,000 | 2,918,833 | (18,833) |
| Total education | \$ 2,909,344 | \$ 2,909,344 | \$ 2,928,176 | \$ (18,832) |
| Parks, recreation, and cultural: | | | | |
| Parks and recreation: | | | | |
| Recreation facilities | \$ 10,204 | \$ 21,204 | \$ 20,773 | \$ 431 |
| Rocky Gap Greenway project | 422,000 | 422,000 | 144,900 | 277,100 |
| Total parks and recreation | \$ 432,204 | \$ 443,204 | \$ 165,673 | \$ 277,531 |

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

| <u>Fund, Function, Activity and Element</u> | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|----------------------------------------------|----------------------------|-------------------------|---------------|---------------------------------------------------------------------|
| General Fund: (Continued) | | | | |
| Cultural enrichment: | | | | |
| Indian Village | \$ 169,925 | \$ 178,332 | \$ 164,292 | \$ 14,040 |
| Youth enrichment program | - | 1,200 | 1,200 | - |
| Total cultural enrichment | \$ 169,925 | \$ 179,532 | \$ 165,492 | \$ 14,040 |
| Library: | | | | |
| Library | \$ 229,438 | \$ 302,866 | \$ 277,287 | \$ 25,579 |
| Total parks, recreation, and cultural | \$ 831,567 | \$ 925,602 | \$ 608,452 | \$ 317,150 |
| Community development: | | | | |
| Planning and community development: | | | | |
| Community development | \$ 94,336 | \$ 96,365 | \$ 92,730 | \$ 3,635 |
| Planning | 156,959 | 120,858 | 89,162 | 31,696 |
| Contribution to EDA | 295,000 | 300,225 | 410,000 | (109,775) |
| Contribution to Wireless Authority | 6,362 | 6,362 | 5,370 | 992 |
| Economic development | 69,490 | 69,490 | 69,176 | 314 |
| Tourism | 66,388 | 79,579 | 64,357 | 15,222 |
| Total planning and community development | \$ 688,535 | \$ 672,879 | \$ 730,795 | \$ (57,916) |
| General Fund: (Continued) | | | | |
| Community development: (Continued) | | | | |
| Environmental management: | | | | |
| Regional contributions | \$ 14,000 | \$ 14,000 | \$ 9,000 | \$ 5,000 |
| Soil and Water Conservation District payroll | - | - | 201,033 | (201,033) |
| Total environmental management | \$ 14,000 | \$ 14,000 | \$ 210,033 | \$ (196,033) |
| Cooperative extension program: | | | | |
| Extension office | \$ 101,760 | \$ 101,760 | \$ 98,339 | \$ 3,421 |
| Total community development | \$ 804,295 | \$ 788,639 | \$ 1,039,167 | \$ (250,528) |
| Capital projects: | | | | |
| Medical center project | \$ 35,000 | \$ 35,000 | \$ 502 | \$ 34,498 |
| Other capital projects | 50,000 | 50,000 | 226 | 49,774 |
| Total capital projects | \$ 85,000 | \$ 85,000 | \$ 728 | \$ 84,272 |
| Debt service: | | | | |
| Principal retirement | \$ 149,688 | \$ 149,688 | \$ 149,688 | \$ - |
| Interest and other fiscal charges | 53,735 | 53,735 | 53,735 | - |
| Total debt service | \$ 203,423 | \$ 203,423 | \$ 203,423 | \$ - |
| Total General Fund | \$ 12,962,325 | \$ 13,606,750 | \$ 12,481,688 | \$ 1,125,062 |
| Total Primary Government | \$ 12,962,325 | \$ 13,606,750 | \$ 12,481,688 | \$ 1,125,062 |

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

| <u>Fund, Function, Activity and Element</u> | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|------------------------------------------------------------|----------------------------|-------------------------|----------------------|---------------------------------------------------------------------|
| Discretely Presented Component Unit - School Board: | | | | |
| School Operating Fund: | | | | |
| Education: | | | | |
| Instruction costs: | | | | |
| Instruction costs | \$ 7,583,410 | \$ 7,583,410 | \$ 8,175,580 | \$ (592,170) |
| Operating costs: | | | | |
| Administration and health services | \$ 902,267 | \$ 902,267 | \$ 942,209 | \$ (39,942) |
| Pupil transportation | 698,487 | 698,487 | 627,664 | 70,823 |
| Operation and maintenance of school plant | 3,314,013 | 3,314,013 | 1,252,689 | 2,061,324 |
| Total operating costs | <u>\$ 4,914,767</u> | <u>\$ 4,914,767</u> | <u>\$ 2,822,562</u> | <u>\$ 2,092,205</u> |
| School food services: | | | | |
| Administration of school food program | \$ 857,639 | \$ 857,639 | \$ 691,606 | \$ 166,033 |
| Total School Operating Fund | <u>\$ 13,355,816</u> | <u>\$ 13,355,816</u> | <u>\$ 11,689,748</u> | <u>\$ 1,666,068</u> |

Other Statistical Information

Table 1

County of Bland, 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 | Parks, Recreation, and Cultural | Community Development | Interest on Long-Term Debt | Service Authority | Total |
|-------------|-----------------------------------|-------------------------|---------------|--------------|--------------------|--------------|---------------------------------|-----------------------|----------------------------|-------------------|---------------|
| 2023-24 | \$ 1,474,579 | \$ 571,373 | \$ 2,705,722 | \$ 1,344,609 | \$ 1,926,587 | \$ 2,928,176 | \$ 524,935 | \$ 931,499 | \$ 34,999 | \$ 1,605,558 | \$ 14,048,037 |
| 2022-23 | 1,355,589 | 634,657 | 2,378,204 | 1,022,643 | 1,517,243 | 2,825,188 | 391,166 | 791,349 | 40,657 | 1,659,510 | 12,616,206 |
| 2021-22 | 637,908 | 525,532 | 1,550,174 | 1,490,057 | 1,175,909 | 2,139,580 | 817,133 | 154,242 | 47,219 | 1,606,985 | 10,144,739 |
| 2020-21 | 1,356,149 | 556,713 | 2,607,312 | 995,004 | 1,534,988 | 3,123,786 | 439,107 | 552,288 | 53,151 | 1,572,492 | 12,790,990 |
| 2019-20 | 1,336,162 | 566,060 | 1,941,421 | 1,080,176 | 1,593,791 | 2,362,119 | 494,376 | 472,711 | 58,645 | 1,498,775 | 11,404,236 |
| 2018-19 | 1,286,224 | 495,449 | 1,774,271 | 1,021,869 | 1,537,420 | 1,996,849 | 376,996 | 182,184 | 64,385 | 1,425,938 | 10,161,585 |
| 2017-18 | 1,209,853 | 491,696 | 1,807,390 | 846,654 | 1,528,012 | 2,222,735 | 494,815 | 177,442 | 69,244 | 1,373,857 | 10,221,698 |
| 2016-17 | 1,039,462 | 492,290 | 1,568,382 | 851,842 | 1,432,762 | 2,470,955 | 622,192 | 587,746 | 73,896 | 1,517,800 | 10,657,327 |
| 2015-16 | 972,705 | 456,139 | 1,662,417 | 797,128 | 1,389,567 | 2,670,132 | 562,562 | 55,249 | 77,817 | 1,273,892 | 9,917,608 |
| 2014-15 | 954,717 | 416,140 | 1,551,766 | 860,933 | 1,483,133 | 2,331,385 | 425,297 | 115,637 | 81,988 | 1,057,244 | 9,278,240 |

Table 2

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

| Fiscal Year | PROGRAM REVENUES | | | | GENERAL REVENUES | | | | | | Total |
|-------------|----------------------|------------------------------------|----------------------------------|----|------------------------|-------------------|----------------------------------|---------------|--------------------------------------------------------------|----|---------------|
| | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | | General Property Taxes | Other Local Taxes | Unrestricted Investment Earnings | Miscellaneous | Grants and Contributions Not Restricted to Specific Programs | | |
| 2023-24 | \$ 1,817,526 | \$ 3,430,638 | \$ 201,181 | \$ | \$ 5,612,363 | \$ 1,455,712 | \$ 200,128 | \$ 552,632 | \$ 1,450,278 | \$ | \$ 14,720,458 |
| 2022-23 | 1,542,135 | 3,013,945 | 791,591 | | 5,660,679 | 1,457,320 | 52,477 | 592,001 | 1,338,386 | | 14,448,534 |
| 2021-22 | 1,344,159 | 3,353,587 | 481,266 | | 5,118,431 | 1,259,100 | 27,897 | 534,470 | 711,598 | | 12,830,508 |
| 2020-21 | 1,174,720 | 3,495,106 | 8,166 | | 4,988,721 | 1,066,246 | 62,676 | 464,630 | 680,536 | | 11,940,801 |
| 2019-20 | 1,115,100 | 2,551,990 | 116,971 | | 4,973,367 | 1,000,285 | 101,835 | 86,246 | 680,006 | | 10,625,800 |
| 2018-19 | 1,365,324 | 2,455,100 | 472,934 | | 4,902,341 | 932,301 | 124,415 | 268,001 | 680,996 | | 11,201,412 |
| 2017-18 | 1,449,449 | 2,599,129 | 853,171 | | 4,667,009 | 839,472 | 62,532 | 703,847 | 678,572 | | 11,853,181 |
| 2016-17 | 1,196,789 | 2,319,531 | 260,463 | | 4,804,541 | 626,117 | 49,725 | 322,821 | 604,434 | | 10,184,421 |
| 2015-16 | 1,154,461 | 2,155,814 | 1,080,328 | | 4,536,479 | 563,483 | 33,807 | 258,715 | 603,491 | | 10,386,578 |
| 2014-15 | 1,044,425 | 2,287,302 | 655,801 | | 4,344,114 | 526,829 | 23,722 | 302,269 | 584,868 | | 9,769,330 |

Table 3

County of Bland, 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 | Debt Service (3) | Total |
|-------------|-----------------------------------|-------------------------|---------------|--------------|--------------------|---------------|---------------------------------|-----------------------|------------------|---------------|
| 2023-24 | \$ 1,405,176 | \$ 610,868 | \$ 2,500,961 | \$ 1,320,599 | \$ 1,864,138 | \$ 11,699,091 | \$ 608,452 | \$ 1,039,167 | \$ 203,423 | \$ 21,251,875 |
| 2022-23 | 1,415,687 | 656,055 | 2,363,540 | 1,407,284 | 1,559,446 | 11,840,299 | 632,320 | 901,671 | 234,545 | 21,010,847 |
| 2021-22 | 1,343,552 | 630,839 | 1,975,201 | 1,529,150 | 1,452,412 | 9,774,006 | 898,783 | 760,092 | 235,910 | 18,599,945 |
| 2020-21 | 1,319,036 | 541,340 | 2,711,980 | 968,800 | 1,537,210 | 9,227,355 | 349,580 | 680,033 | 222,113 | 17,557,447 |
| 2019-20 | 1,292,293 | 533,690 | 1,834,452 | 1,051,291 | 1,481,875 | 8,147,426 | 384,828 | 601,401 | 222,759 | 15,550,015 |
| 2018-19 | 1,242,535 | 516,876 | 1,811,543 | 1,182,104 | 1,519,661 | 8,310,897 | 426,440 | 212,859 | 223,000 | 15,445,915 |
| 2017-18 | 1,314,781 | 526,040 | 1,923,019 | 894,002 | 1,558,255 | 8,169,988 | 454,799 | 192,573 | 192,809 | 15,226,266 |
| 2016-17 | 1,076,486 | 512,145 | 1,741,206 | 860,040 | 1,453,418 | 8,626,112 | 645,402 | 270,995 | 192,413 | 15,378,217 |
| 2015-16 | 1,118,225 | 462,244 | 1,586,354 | 822,314 | 1,380,946 | 8,695,528 | 478,735 | 194,163 | 191,284 | 14,929,793 |
| 2014-15 | 1,003,337 | 466,171 | 1,630,686 | 858,453 | 1,488,803 | 8,310,730 | 392,965 | 270,548 | 261,016 | 14,682,709 |

(1) Includes General Fund of the Primary Government and its Discretely Presented Component Units.

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

(3) The County refunded \$2,925,391 in fiscal year 2012-13.

Table 4

County of Bland, 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 |
|-------------|------------------------|-------------------|----------------------------------------------|-----------------------|--------------------------------------------|------------|----------------------|---------------|-----------------|------------------------|-------|
| | | | | | Property | | | | | | |
| 2023-24 | \$ 5,649,360 | \$ 1,455,712 | \$ 23,100 | \$ 509,739 | \$ 280,675 | \$ 778,814 | \$ 871,838 | \$ 465,682 | \$ 13,628,003 | \$ 23,662,923 | |
| 2022-23 | 5,476,585 | 1,457,320 | 17,935 | 363,555 | 85,280 | 729,778 | 927,596 | 374,066 | 14,592,147 | 24,024,262 | |
| 2021-22 | 5,229,221 | 1,259,100 | 18,986 | 240,852 | 24,202 | 703,645 | 707,065 | 306,313 | 11,832,822 | 20,322,206 | |
| 2020-21 | 5,036,261 | 1,066,246 | 20,017 | 194,798 | 56,866 | 542,712 | 691,335 | 240,061 | 10,135,991 | 17,984,287 | |
| 2019-20 | 4,955,516 | 1,000,285 | 32,048 | 214,685 | 104,369 | 404,876 | 366,317 | 289,480 | 8,593,693 | 15,961,269 | |
| 2018-19 | 5,035,232 | 932,301 | 17,862 | 371,220 | 98,225 | 493,631 | 530,829 | 83,787 | 9,059,341 | 16,622,428 | |
| 2017-18 | 4,713,228 | 839,472 | 18,464 | 524,490 | 59,529 | 460,138 | 973,608 | 94,758 | 8,897,648 | 16,581,335 | |
| 2016-17 | 4,682,542 | 693,232 | 20,705 | 292,407 | 47,733 | 457,024 | 651,779 | 140,580 | 8,659,568 | 15,645,570 | |
| 2015-16 | 4,527,206 | 633,363 | 22,908 | 256,535 | 28,069 | 481,320 | 538,198 | 260,442 | 8,479,846 | 15,227,887 | |
| 2014-15 | 4,267,174 | 602,682 | 26,878 | 191,061 | 14,926 | 500,409 | 492,486 | 407,445 | 8,609,339 | 15,112,400 | |

(1) Includes General and Debt Service funds of the Primary Government and its Discretely Presented Component Units.

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

Table 5

County of Bland, 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) | Percent of Delinquent Taxes to Tax Levy |
|-------------|--------------------|-----------------------------|---------------------------|--------------------------------|-----------------------|----------------------------------------------|----------------------------------|-----------------------------------------|
| 2023-24 | \$ 5,853,250 | \$ 5,609,676 | 95.84% | \$ 262,463 | \$ 5,872,139 | 100.32% | \$ 840,021 | 14.35% |
| 2022-23 | 5,892,953 | 5,579,636 | 94.68% | 189,005 | 5,768,641 | 97.89% | 820,440 | 13.92% |
| 2021-22 | 5,462,445 | 5,245,387 | 96.03% | 254,460 | 5,499,847 | 100.68% | 709,612 | 12.99% |
| 2020-21 | 5,316,014 | 5,086,052 | 95.67% | 232,494 | 5,318,546 | 100.05% | 778,377 | 14.64% |
| 2019-20 | 5,238,394 | 5,005,980 | 95.56% | 219,122 | 5,225,102 | 99.75% | 841,194 | 16.06% |
| 2018-19 | 5,162,574 | 4,784,280 | 92.67% | 343,142 | 5,127,422 | 99.32% | 815,923 | 15.80% |
| 2017-18 | 4,971,556 | 4,706,906 | 94.68% | 266,254 | 4,976,160 | 100.09% | 950,340 | 19.12% |
| 2016-17 | 4,948,494 | 4,759,267 | 96.18% | 203,170 | 4,962,437 | 100.28% | 918,708 | 18.57% |
| 2015-16 | 4,867,612 | 4,554,021 | 93.56% | 239,686 | 4,793,707 | 98.48% | 906,887 | 18.63% |
| 2014-15 | 4,743,083 | 4,431,069 | 93.42% | 133,978 | 4,565,047 | 96.25% | 873,033 | 18.41% |

(1) Exclusive of penalties and interest. Includes payments from the State under the PPTRA Program.

Table 6

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

| Fiscal Year | Real Estate (1) | Personal Property and Mobile Homes | Machinery and Tools | Merchant's Capital | Public Utility (2) | Total |
|-------------|-----------------|------------------------------------|---------------------|--------------------|--------------------|----------------|
| 2023-24 | \$ 476,011,100 | \$ 90,505,569 | \$ 30,488,489 | \$ 23,042,357 | \$ 93,884,112 | \$ 713,931,627 |
| 2022-23 | 473,643,800 | 95,570,189 | 26,362,445 | 29,307,911 | 99,681,043 | 724,565,388 |
| 2021-22 | 470,573,200 | 75,139,178 | 27,716,715 | 19,231,761 | 105,305,361 | 697,966,215 |
| 2020-21 | 470,148,200 | 69,069,704 | 26,999,772 | 21,122,131 | 100,564,605 | 687,904,412 |
| 2019-20 | 457,625,087 | 69,605,562 | 27,177,808 | 22,348,909 | 99,214,574 | 675,971,940 |
| 2018-19 | 450,969,800 | 66,175,285 | 28,144,295 | 23,492,950 | 102,918,933 | 671,701,263 |
| 2017-18 | 445,458,400 | 64,891,400 | 26,428,235 | 32,410,760 | 74,565,512 | 643,754,307 |
| 2016-17 | 440,938,400 | 65,406,832 | 22,601,860 | 40,886,880 | 68,192,057 | 638,026,029 |
| 2015-16 | 438,559,100 | 63,434,327 | 21,173,188 | 17,999,660 | 68,887,711 | 610,053,986 |
| 2014-15 | 438,354,300 | 62,032,071 | 21,751,011 | 16,386,062 | 69,157,475 | 607,680,919 |

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

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

Table 7

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

| Fiscal Year | Real Estate | Personal Property | Mobile Homes | Merchant's Capital | Machinery and Tools |
|-------------|-------------|-------------------|--------------|--------------------|---------------------|
| 2023-24 | \$ 0.60 | 2.29 | \$ 0.60 | 0.73 | 1.05 |
| 2022-23 | 0.60 | 2.29 | 0.60 | 0.73 | 1.05 |
| 2021-22 | 0.60 | 2.29 | 0.60 | 0.73 | 0.89 |
| 2020-21 | 0.60 | 2.29 | 0.60 | 0.73 | 0.89 |
| 2019-20 | 0.60 | 2.29 | 0.60 | 0.73 | 0.89 |
| 2018-19 | 0.60 | 2.29 | 0.60 | 0.73 | 0.89 |
| 2017-18 | 0.60 | 2.29 | 0.60 | 0.73 | 0.89 |
| 2016-17 | 0.60 | 2.29 | 0.60 | 0.73 | 0.89 |
| 2015-16 | 0.60 | 2.29 | 0.60 | 0.73 | 0.89 |
| 2014-15 | 0.60 | 2.29 | 0.60 | 0.73 | 0.89 |

(1) Per \$100 of assessed value.

Table 8

County of Bland, 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 and Net Bonded Debt (3) | Net Bonded Debt | Ratio of Net Bonded Debt to Assessed Value | Net Bonded Debt per Capita |
|-------------|----------------|-----------------------------------|-------------------------------|-----------------|--------------------------------------------|----------------------------|
| 2023-24 | 6,217 | \$ 713,932 | \$ 1,410,000 | 1,410,000 | 0.20% | 227 |
| 2022-23 | 6,148 | 724,565 | 1,550,000 | 1,550,000 | 0.21% | 252 |
| 2021-22 | 6,270 | 697,966 | 1,685,000 | 1,685,000 | 0.24% | 269 |
| 2020-21 | 6,270 | 687,904 | 1,815,000 | 1,815,000 | 0.26% | 289 |
| 2019-20 | 6,824 | 675,972 | 1,935,000 | 1,935,000 | 0.29% | 284 |
| 2018-19 | 6,824 | 671,701 | 2,050,000 | 2,050,000 | 0.31% | 300 |
| 2017-18 | 6,824 | 643,754 | 2,160,000 | 2,160,000 | 0.34% | 317 |
| 2016-17 | 6,824 | 638,026 | 2,265,000 | 2,265,000 | 0.36% | 332 |
| 2015-16 | 6,824 | 610,054 | 2,365,000 | 2,365,000 | 0.39% | 347 |
| 2014-15 | 6,824 | 607,681 | 2,460,000 | 2,460,000 | 0.40% | 360 |

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

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

| Fiscal Year | Principal (2) | Interest | Total Debt Service | Total General Governmental Expenditures | Ratio of Debt Service to General Governmental Expenditures |
|----------------|---------------|-----------|--------------------------|--------------------------------------------------|------------------------------------------------------------------------|
| 2023-24 | \$ 149,688 | \$ 53,735 | \$ 203,423 | \$ 21,251,875 | 0.96% |
| 2022-23 | 174,600 | 59,945 | 234,545 | 21,010,847 | 1.12% |
| 2021-22 | 169,516 | 66,394 | 235,910 | 18,599,945 | 1.27% |
| 2020-21 | 150,000 | 72,113 | 222,113 | 17,557,447 | 1.27% |
| 2019-20 | 145,000 | 77,759 | 222,759 | 15,550,015 | 1.43% |
| 2018-19 | 140,000 | 83,000 | 223,000 | 15,445,915 | 1.44% |
| 2017-18 | 105,000 | 87,809 | 192,809 | 15,226,266 | 1.27% |
| 2016-17 | 100,000 | 92,413 | 192,413 | 15,378,217 | 1.25% |
| 2015-16 | 95,000 | 96,284 | 191,284 | 14,929,793 | 1.28% |
| 2014-15 | 160,000 | 101,016 | 261,016 | 14,682,709 | 1.78% |

(1) Includes General fund of the Primary Government and the Discretely Presented Component Unit - School Board.

COMPLIANCE SECTION



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

**To the Board of Supervisors
County of Bland, Virginia
Bland, 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 business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Bland, 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 Bland, Virginia's basic financial statements and have issued our report thereon dated December 20, 2024.

Report on Internal Control over Financial Reporting

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

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

Blacksburg, Virginia
December 20, 2024



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

**To the Board of Supervisors
County of Bland, Virginia
Bland, Virginia**

Report of Compliance for Each Major Federal Program

Opinion of Each Major Federal Program

We have audited the County of Bland, 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 the County of Bland, Virginia's major federal programs for the year ended June 30, 2024. The County of Bland, 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, the County of Bland, Virginia complied, in all material respects, with the 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 the County of Bland, 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 the County of Bland, 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 the County of Bland, 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 the County of Bland, 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 the County of Bland, 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 the County of Bland, 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 the County of Bland, 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 the County of Bland, Virginia's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Robinson, Farmer, Cox Associates

Blacksburg, Virginia
December 20, 2024

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

| Federal Grantor/State Pass - Through Grantor/Cluster/Program 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 | \$ 117 |
| Title IV-E Prevention Program | 93.472 | 1140123/1140124 | 1,674 |
| MaryLee Allen Promoting Safe and Stable Families Program | 93.556 | 0950122/0950123 | 9,068 |
| Temporary Assistance for Needy Families | 93.558 | 0400123/0400124 | 79,352 |
| Refugee and Entrant Assistance - State/Replacement Designee Administered Programs | 93.566 | 0500123/0500124 | 384 |
| Low-Income Home Energy Assistance | 93.568 | 0600423/0600424 | 19,592 |
| CCDF Cluster: | | | |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund | 93.596 | 0760123/0760124 | 18,005 |
| Stephanie Tubbs Jones Child Welfare Services Program | 93.645 | 0900122/0900123 | 71 |
| Foster Care Title IV-E | 93.658 | 1100123/1100124 | 44,405 |
| Adoption Assistance | 93.659 | 1120123/1120124 | 70,310 |
| Social Services Block Grant | 93.667 | 1000123/1000124 | 138,868 |
| John H. Chafee Foster Care Program for Successful Transition to Adulthood | 93.674 | 9150122/9150123 | 1,271 |
| Children's Health Insurance Program | 93.767 | 0540123/0540124 | 1,423 |
| Medicaid Cluster: | | | |
| Medical Assistance Program | 93.778 | 1200123/1200124 | 129,756 |
| Total Department of Health and Human Services | | | \$ 514,296 |
| Department of Agriculture: | | | |
| Pass Through Payments: | | | |
| Child Nutrition Cluster: | | | |
| Virginia Department of Agriculture and Consumer Services: | | | |
| National School Lunch Program - Food Distribution (3) | 10.555 | Not available | \$ 27,990 |
| Virginia Department of Education: | | | |
| National School Lunch Program | 10.555 | APE402540000/APE411080000 | 290,607 \$ 318,597 |
| School Breakfast Program | 10.553 | APE402530000 | 123,052 \$ 441,649 |
| Child and Adult Care Food Program | 10.558 | APE700270000/APE700280000 | 27,347 |
| COVID-19 Pandemic EBT Administrative Costs | 10.649 | DOE865560000 | 653 |
| Team Nutrition Grants | 10.574 | APE600720000 | 350 |
| Forest Service Schools and Roads Cluster: | | | |
| Schools and Roads - Grants to States | 10.665 | APE438410000 | 84,242 |
| Virginia Department of Social Services: | | | |
| SNAP Cluster: | | | |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | 0010123/0010124/ 0040123/0040124 | 172,707 |
| Total Department of Agriculture | | | \$ 726,948 |
| Department of Treasury: | | | |
| Direct Payments: | | | |
| COVID-19 Local Assistance and Tribal Consistency Fund | 21.032 | Not applicable | \$ 222,191 |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds | 21.027 | Not applicable | \$ 63,771 |
| Pass Through Payments: | | | |
| Virginia Department of Social Services: | | | |
| COVID 19 - Coronavirus State and Local Fiscal Recovery Funds | 21.027 | 9122222 | 3,018 66,789 |
| Total Department of Treasury | | | \$ 288,980 |
| Department of Homeland Security: | | | |
| Pass Through Payments: | | | |
| Department of Emergency Services: | | | |
| Emergency Management Performance Grants | 97.042 | EMP-2023-EP-00006 | \$ 7,500 |
| Department of Transportation: | | | |
| Pass Through Payments: | | | |
| Virginia Department of Transportation: | | | |
| Highway Planning and Construction | 20.205 | EN14-010-789, C501 | \$ 101,181 |
| Department of Justice: | | | |
| Pass Through Payments: | | | |
| Department of Criminal Justice Service: | | | |
| Crime Victim Assistance | 16.575 | 2020V2GX0048/15POVC22GG0068 | \$ 46,859 |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 1ASSI 20-D4034AD16 | 960 |
| Total Department of Justice | | | \$ 47,819 |
| Department of Education: | | | |
| Pass Through Payments: | | | |
| Virginia Department of Education: | | | |
| Title I: Grants to Local Educational Agencies | 84.010 | APE429010000 | \$ 132,192 |
| Special Education Cluster: | | | |
| Special Education - Grants to States | 84.027 | APE430710000 | \$ 192,179 |
| Special Education - Preschool Grants | 84.173 | APE625210000 | 8,816 200,995 |
| Career and Technical Education - Basic Grants to States | 84.048 | APE600310000/APE600311005 | 13,066 |
| Student Support and Academic Enrichment Grants | 84.424 | APE600190000 | 12,041 |
| COVID-19 Education Stabilization Fund: | | | |
| COVID-19 Elementary and Secondary School Emergency Relief Fund | 84.425D | APE501950000 | 4,387 |
| COVID-19 American Rescue Plan-Elementary and Secondary School Emergency Relief Fund | 84.425U | APE501830000/APE501930000 | 180,438 |
| Supporting Effective Instruction State Grants | 84.367 | APE614800000 | 17,882 |
| Total Department of Education | | | \$ 561,001 |
| Total Expenditures of Federal Awards | | | \$ 2,247,725 |

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

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 Bland County, 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 the County of Bland, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Bland, 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 minimis indirect cost rate because they only request direct costs for reimbursement.

Note 3 -- Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. At June 30, 2024, the Bland County School Board had food commodities totaling \$27,990 in inventory.

Note 4 -- Subrecipients

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

Note 5 -- Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund

\$ 1,388,709

Less: Payment in Lieu of Taxes

(256,226)

Total General Fund

\$ 1,132,483

Total primary government

\$ 1,132,483

Component Unit School Board:

School Operating Fund

\$ 1,115,242

Total federal expenditures per the basic financial statements

\$ 2,247,725

Federal expenditures per the Schedule of Expenditures of Federal Awards

\$ 2,247,725

County of Bland, Virginia

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

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> |
|-----------------------------|---------------------------------------------------------|
| 10.553 | Child Nutrition Cluster |
| 84.425 | COVID 19 - Education Stabilization Fund |
| 21.032 | COVID 19 - Local Assistance and Tribal Consistency Fund |
| 84.027/84.173 | Special Education Cluster |

| | |
|----------------------------------------------------------------------------|-----------|
| Dollar threshold used to distinguish between Type A and Type B programs | \$750,000 |
| Auditee qualified as low-risk auditee? | No |

County of Bland, Virginia

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

Section II - Financial Statement Findings

2024-001

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

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

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

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

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

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

Section III - Federal Award Findings and Questioned Costs

None

County of Bland, Virginia

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

2023-001

Material Weakness

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

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

Current Status: Finding 2023-001 was repeated in the current year as 2024-001.