

COUNTY OF DICKENSON, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024

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

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COUNTY OF DICKENSON, VIRGINIA

BOARD OF SUPERVISORS

Peggy Kiser, Vice-chair Chris Hall	Shelbie Willis, Chair	Richard Thacker Rhonda Sluss
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COUNTY SCHOOL BOARD

Jamie Hackney Vice-chair Damon Rasnick	Jason Hicks, Chair	Rick Mullins David Vanover
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SOCIAL SERVICES BOARD

E. Diana Mullins, Vice-chair Ramona Duncan	April Collins, Chair	Gary Harless Gilda Rose
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PUBLIC SERVICE AUTHORITY BOARD

Shelbie Willis, Vice-chair Grant Belcher	Sam Edwards, Chair	Gary Harless Brad Mullins
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OTHER OFFICIALS

Clerk of the Circuit Court.....	Josh Evans
Commonwealth's Attorney	Josh Newberry
Commissioner of the Revenue.....	Shelly Mullins
Treasurer	Angela Rakes
Sheriff	Jeremy Fleming
Superintendent of Schools	Haydee Robinson
Director of Social Services	G. David Moore
County Administrator	Larry Barton



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units - School Board and Public Service Authority (PSA), each major fund, and the aggregate remaining fund information of the County of Dickenson, 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 Dickenson, Virginia's basic financial statements as listed in the table of contents.

Qualified Opinion on the Discretely Presented Component Units - School Board and Industrial Development Authority

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the discretely presented component units as of June 30, 2024, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on the Governmental Activities, Business-type Activities, Discretely Presented Component Units - PSA, Each Major Fund, and the Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the discretely presented component unit - PSA, each major fund, and the aggregate remaining fund information of the County of Dickenson, Virginia, as of and for the year ended June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

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

Matter Giving Rise to the Qualified Opinion on the Discretely Presented Component Units - School Board and Industrial Development Authority

The opinion on the discretely component unit - School Board was qualified because the School Activity Fund audit opinion was modified due to the exclusion of Ridgeview High School Activity Fund.

The opinion on the discretely component unit - IDA was qualified because the Industrial Development Authority's year was not closed timely in order for the audit to be performed prior to completion of the County's audit and, therefore, the information has been omitted from the report.

Change in Accounting Principle

As described in Note 26 to the financial statements, in 2024 the County adopted new accounting guidance, GASB Statement No. 100, *Accounting Changes and Error Corrections*. Our opinions are not modified with respect to this matter.

Adjustment of Beginning Balances

As described in Note 28 to the financial statements, in 2024, the County adjusted beginning balances to exclude Ridgeview High School from the School Activity fund audit report .

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Dickenson, 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 Dickenson, 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 Dickenson, Virginia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2024, on our consideration of County of Dickenson, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Dickenson, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Dickenson, Virginia's internal control over financial reporting and compliance.

Robinson, Jarmon, Cox, Associates

Blacksburg, Virginia
November 29, 2024

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

	Primary Government	Component Units	
	Governmental Activities	School Board	Public Service Authority
ASSETS			
Cash and investments	\$ 37,378,667	\$ 8,685,308	\$ 4,760,671
Investments	5,270,938	-	-
Receivables (net of allowance for uncollectibles):			
Taxes receivable	13,627,316	-	-
Other local taxes receivable	869,064	-	-
Other receivables	1,553,390	6,990	301,798
Grants receivable	-	-	31,834
Due from primary government	-	-	143,361
Due from other governmental units	2,210,931	2,101,747	-
Prepaid items	163,244	227,356	35,342
Restricted assets:			
Cash and cash equivalents	-	-	698,709
Capital assets not being depreciated/amortized	3,522,378	35,495,560	808,344
Capital assets, net of accumulated depreciation/amortization	22,751,938	51,496,894	34,549,538
Total assets	<u>\$ 87,347,866</u>	<u>\$ 98,013,855</u>	<u>\$ 41,329,597</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	\$ 1,695,325	\$ 4,501,494	\$ 162,270
OPEB related items	-	1,857,184	-
Total deferred outflows of resources	<u>\$ 1,695,325</u>	<u>\$ 6,358,678</u>	<u>\$ 162,270</u>
LIABILITIES			
Accounts payable	\$ 1,427,917	\$ 2,827,100	\$ 148,653
Accrued liabilities	144,260	1,433,950	-
Customers' deposits	-	-	375,882
Accrued interest payable	107,270	-	6,208
Unearned revenue	-	1,111,629	-
Long-term liabilities:			
Due within one year	1,323,747	735,643	487,309
Due in more than one year	16,790,287	29,817,116	5,809,598
Total liabilities	<u>\$ 19,793,481</u>	<u>\$ 35,925,438</u>	<u>\$ 6,827,650</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	\$ 8,200,573	\$ -	\$ -
Pension related items	502,136	1,625,015	102,142
OPEB related items	-	4,179,923	-
Total deferred inflows of resources	<u>\$ 8,702,709</u>	<u>\$ 5,804,938</u>	<u>\$ 102,142</u>
NET POSITION			
Net investment in capital assets	\$ 13,418,031	\$ 85,034,451	\$ 29,627,065
Restricted			
Coal Road	22,578,489	-	-
School Construction	5,270,938	2,076,413	-
School Activity Fund	-	142,101	-
Debt service and bond covenants	-	-	322,827
Opioid Settlement	1,811,934	-	-
Unrestricted	17,467,609	(24,610,808)	4,612,183
Total net position	<u><u>\$ 60,547,001</u></u>	<u><u>\$ 62,642,157</u></u>	<u><u>\$ 34,562,075</u></u>

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

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

		Net (Expense) Revenue and Changes in Net Position				
Functions/Programs	Expenses	Program Revenues			Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	School Board Public Service Authority
PRIMARY GOVERNMENT:						
Governmental activities:						
General government administration	\$ 2,644,835	\$ 2,265	\$ 404,575	\$ -	\$ (2,237,995)	\$ -
Judicial administration	2,068,446	125,866	802,503	-	(1,140,077)	-
Public safety	6,397,279	33,102	2,462,148	-	(3,902,029)	-
Public works	4,116,206	302,178	491,296	-	(3,322,732)	-
Health and welfare	7,905,094	-	5,562,273	-	(2,342,821)	-
Education	6,063,377	-	-	-	(6,063,377)	-
Parks, recreation, and cultural	639,841	10,715	-	-	(629,126)	-
Community development	4,420,192	-	121,302	199,555	(4,099,335)	-
Interest on long-term debt	197,292	-	-	-	(197,292)	-
Total governmental activities	\$ 34,452,562	\$ 474,126	\$ 9,844,097	\$ 199,555	\$ (23,934,784)	\$ -
Total primary government	\$ 34,452,562	\$ 474,126	\$ 9,844,097	\$ 199,555	\$ (23,934,784)	\$ -
COMPONENT UNITS:						
School Board	\$ 31,481,035	\$ 182,284	\$ 29,038,036	\$ -	\$ (2,260,715)	\$ -
Public Service Authority	3,933,894	3,848,812	-	176,034	-	90,952
Total component units	\$ 35,414,929	\$ 4,031,096	\$ 29,038,036	\$ 176,034	\$ (2,260,715)	\$ 90,952
General revenues:						
General property taxes					\$ 15,286,228	\$ -
Other local taxes:						
Local sales and use taxes					1,085,354	-
Consumers' utility taxes					298,499	-
Consumption taxes					52,357	-
Vehicle registration withholding stops					21,875	-
Bank stock taxes					32,526	-
Taxes on recordation and wills					1,590	-
Hotel and motel room taxes					25,730	-
Coal severance taxes					10,590,590	-
Gas severance taxes					1,056,140	-
Moped ATV sales tax					9,887	-
Unrestricted revenues from use of money and property					351,344	217,125
Miscellaneous					1,348,138	203,231
Payments from County of Dickenson					-	-
Grants and contributions not restricted to specific programs					465,210	-
Total general revenues					5,543,065	-
Change in net position					2,064,576	-
Net position - beginning, as restated					32,224,834	420,356
Net position - ending					\$ 8,290,050	\$ 511,308
					58,894,597	34,050,767
					60,547,001	34,562,075

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

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

	<u>General</u>	<u>Coal Road Tax</u>	<u>School Construction Projects</u>	<u>Total</u>
ASSETS				
Cash and equivalents	\$ 14,431,042	\$ 22,947,625	\$ -	\$ 37,378,667
Investments	-	-	5,270,938	5,270,938
Receivables (net of allowance for uncollectibles):				
Taxes receivable	13,627,316	-	-	13,627,316
Other local taxes receivable	489,765	379,299	-	869,064
Other receivables	1,553,390	-	-	1,553,390
Due from other governmental units	2,210,931	-	-	2,210,931
Prepaid items	163,244	-	-	163,244
Total assets	<u>\$ 32,475,688</u>	<u>\$ 23,326,924</u>	<u>\$ 5,270,938</u>	<u>\$ 61,073,550</u>
LIABILITIES				
Accounts payable	\$ 679,482	\$ 748,435	\$ -	\$ 1,427,917
Accrued liabilities	144,260	-	-	144,260
Total liabilities	<u>\$ 823,742</u>	<u>\$ 748,435</u>	<u>\$ -</u>	<u>\$ 1,572,177</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	\$ 13,182,656	\$ -	\$ -	\$ 13,182,656
Unavailable revenue - opioid settlement	1,553,390	-	-	1,553,390
Total Deferred Inflows of Resources	<u>\$ 14,736,046</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,736,046</u>
FUND BALANCES				
Nonspendable				
Prepaid items	\$ 163,244	\$ -	\$ -	\$ 163,244
Restricted				
Coal Road	-	22,578,489	-	22,578,489
School Construction	-	-	5,270,938	5,270,938
Opioid Settlement	258,544	-	-	258,544
Committed				
Debt service	800,000	-	-	800,000
Law Library	37,485	-	-	37,485
Drug Restitution	32,547	-	-	32,547
Unassigned	15,624,080	-	-	15,624,080
Total fund balances	<u>\$ 16,915,900</u>	<u>\$ 22,578,489</u>	<u>\$ 5,270,938</u>	<u>\$ 44,765,327</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 32,475,688</u>	<u>\$ 23,326,924</u>	<u>\$ 5,270,938</u>	<u>\$ 61,073,550</u>

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

County of Dickenson, 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	\$	44,765,327
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, not being depreciated/amortized	\$ 3,522,378	
Capital assets, net of accumulated depreciation/amortization	22,751,938	26,274,316

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

Unavailable revenue - property taxes	\$ 4,982,083	
Unavailable revenue - opioid settlement	1,553,390	6,535,473

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

Pension related items		1,695,325
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds and note payable	\$ (10,995,000)	
Bond premium	(1,187,595)	
Landfill postclosure liability	(10,029)	
Lease liabilities	(673,690)	
Net pension liability	(4,631,317)	
Compensated absences	(616,403)	
Accrued interest payable	(107,270)	(18,221,304)

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

Pension related items		(502,136)
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Net position of governmental activities	\$	60,547,001
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The notes to the financial statements are an integral part of this statement.

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

	<u>General</u>	<u>Coal Road Tax</u>	<u>School Construction Projects</u>	<u>Total</u>
REVENUES				
General property taxes	\$ 11,696,742	\$ -	\$ -	\$ 11,696,742
Other local taxes	7,351,183	5,823,365	-	13,174,548
Permits, privilege fees, and regulatory licenses	8,371	-	-	8,371
Fines and forfeitures	87,845	-	-	87,845
Revenue from the use of money and property	103,194	4,970	243,180	351,344
Charges for services	377,910	-	-	377,910
Miscellaneous	671,149	-	-	671,149
Recovered costs	588,047	-	-	588,047
Intergovernmental	12,108,228	-	401,957	12,510,185
Total revenues	<u>\$ 32,992,669</u>	<u>\$ 5,828,335</u>	<u>\$ 645,137</u>	<u>\$ 39,466,141</u>
EXPENDITURES				
Current:				
General government administration	\$ 2,721,917	\$ -	\$ -	\$ 2,721,917
Judicial administration	1,809,151	-	-	1,809,151
Public safety	6,501,810	-	-	6,501,810
Public works	2,700,392	1,217,295	-	3,917,687
Health and welfare	7,833,995	-	-	7,833,995
Education	6,018,633	-	-	6,018,633
Parks, recreation, and cultural	547,633	-	-	547,633
Community development	1,758,966	2,646,941	-	4,405,907
Nondepartmental	307,584	-	-	307,584
Capital projects	3,264	-	-	3,264
Debt service:				
Principal retirement	605,214	-	555,000	1,160,214
Interest and other fiscal charges	314,542	-	425,000	739,542
Total expenditures	<u>\$ 31,123,101</u>	<u>\$ 3,864,236</u>	<u>\$ 980,000</u>	<u>\$ 35,967,337</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,869,568</u>	<u>\$ 1,964,099</u>	<u>\$ (334,863)</u>	<u>\$ 3,498,804</u>
Net change in fund balances	\$ 1,869,568	\$ 1,964,099	\$ (334,863)	\$ 3,498,804
Fund balances - beginning	15,046,332	20,614,390	5,605,801	41,266,523
Fund balances - ending	<u>\$ 16,915,900</u>	<u>\$ 22,578,489</u>	<u>\$ 5,270,938</u>	<u>\$ 44,765,327</u>

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

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

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

Net change in fund balances - total governmental funds	\$	3,498,804
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 outlays	\$ 699,649	
Depreciation and amortization expenses	<u>(1,481,394)</u>	(781,745)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	\$ 3,589,486	
Opioid settlement	<u>676,989</u>	4,266,475
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal payments:		
Direct borrowings and placements	\$ 1,045,548	
Lease liabilities	<u>114,666</u>	1,160,214
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.		
Changes in compensated absences	\$ (54,694)	
Changes in accrued interest payable	2,477	
Changes in pension related items	61,023	
Amortization of bond premium	137,816	
Increase in landfill postclosure care liability	<u>(320)</u>	146,302
Change in net position of governmental activities	<u>\$</u>	<u>8,290,050</u>

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

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 3,374,803
Receivables:	
Due from other governments	322,083
Total assets	<u>\$ 3,696,886</u>
NET POSITION	
Restricted:	
Special Welfare	\$ 274,299
Town of Clincho	3,901
Town of Clintwood	53,287
Town of Haysi	8,533
Fringe Benefits	156,002
Dickenson County Behavioral Health Services	3,199,854
EQT Funds	1,010
Total net position	<u>\$ 3,696,886</u>

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

County of Dickenson, Virginia
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	<u>Custodial Funds</u>
ADDITIONS	
Contributions:	
Expenditure reimbursement	\$ 289,301
Tax collections	208,897
Receipts from other governments	1,169,129
VSRS withholdings	1,993,294
Patient service revenue	6,581,950
Total contributions	\$ 10,242,571
Total additions	\$ 10,242,571
DEDUCTIONS:	
Special welfare payments	\$ 227,601
DCBHS payments	6,500,911
VSRS payments	1,923,619
Payments of sales tax to other governments	184,216
Total deductions	\$ 8,836,347
Net increase (decrease) in fiduciary net position	\$ 1,406,224
Net position, beginning	2,290,662
Net position, ending	\$ 3,696,886

COUNTY OF DICKENSON, 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

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

Blended component units - None

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

Dickenson 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. The School Board does not issue separate financial statements; therefore all of the School Board's financial information is presented within this financial report.

The Dickenson County Public Service Authority operates the water and sewer service for the County. Authority board members are appointed by the County Board of Supervisors. The complete financial report for the Authority may be obtained by contacting the Authority.

The Dickenson County Industrial Development Authority operates for the economic development of the County. Authority board members are appointed by the County Board of Supervisors. The complete financial report for the Authority may be obtained by contacting the Authority.

Related Organizations - The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointment.

Jointly Governed Organizations - The County of Dickenson and the Counties of Wise, Lee, Scott, the City of Norton, and the Towns of Wise, Big Stone Gap, Coeburn, and St. Paul participate in supporting the Lonesome Pine Regional Library. The governing body of this organization is appointed by the respective governing bodies of the participating jurisdictions. For the fiscal year ended June 30, 2024, the County contributed \$332,553 to the Library.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

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 will report all capital assets in the government-wide statement of net position and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of a government will be broken down into three categories - 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

The 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.

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 1-Summary of Significant Accounting Policies: (continued)**C. Measurement focus, basis of accounting, and financial statement presentation: (continued)**

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

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

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

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

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

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

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

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for and reports all financial resources of the general government, except those required to be accounted for and reported in other funds. The general fund includes the activities of the Law Library, Enhanced E-911, CSA, CSA Admin., Disabilities Services Board, 29th Judicial Grant, Restitution Recoveries, Debt Service, and CSB funds.

The Coal Road Tax fund is the County's only major *special revenue fund*. It accounts for and reports financial resources to be used for improvements to roads used in conjunction with coal mining.

The School Construction Projects fund is the County's only major *capital projects fund*. It accounts for and reports financial resources to be used for the construction of school property.

The School Board reports the following major fund types:

The School operating fund is the primary operating fund of the School Board and accounts for and reports all revenues and expenditures applicable to the general operations of the public school system. Revenues are derived primarily from appropriations from the County and state and federal grants.

The School CIP Fund is a capital projects fund that accounts for and reports school construction projects that are not funded by debt issuances.

The School Activity Fund is a special revenue fund that 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.

Additionally, the government reports the following fund types:

Fiduciary funds (Custodial Funds) account for assets held by the government in a trustee account or as agent or custodian for individuals, private organizations, other governmental units, or other funds. Custodial funds include the Special Welfare, Town of Clinchco, Town of Clintwood, Town of Haysi, Fringe Benefits, Dickenson County Behavioral Health Services, and EQT funds.

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

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

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

1. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. 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, and other nonparticipating investments and external investment pools are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

3. Prepaid Items

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

4. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans). 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 nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

5. Property Taxes

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

6. 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 \$368,511 at June 30, 2024 and is comprised of property taxes.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 1-Summary of Significant Accounting Policies: (continued)****D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)****7. 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.

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

As the County and Component Unit School Board 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	40
Machinery and equipment	4-30
Lease asset - building	5

9. Pensions

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 1-Summary of Significant Accounting Policies: (continued)**D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)****10. Other Postemployment Benefits (OPEB)**

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

11. Deferred Outflows/Inflows of Resources

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

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

12. Compensated Absences

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

13. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the governmental activities 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 1-Summary of Significant Accounting Policies: (continued)**D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)****13. Long-term Obligations (continued)**

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

14. Fund Balance

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

- Nonspendable - amounts that cannot be spent because they are either not in spendable form, such as prepaid items and inventory or are legally or contractually required to be maintained intact (corpus of a permanent fund);
- Restricted - 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 - 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 Directors prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Board adopts another ordinance to remove or revise the limitation;
- Assigned fund balance - amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

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

The Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance / resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment, which does not lapse at year end, is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Supervisors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 1-Summary of Significant Accounting Policies: (continued)**D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)****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/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

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

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

16. Leases (continued)

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 receivable (lessor) or lease liability (lessee).

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

Note 2-Stewardship, Compliance, and Accountability:

A. Budgetary information

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

1. Prior to 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. The following funds have legally adopted budgets: General Fund, Coal Road Tax Fund, and the School Operating Fund. The School CIP Fund does not adopt a budget or appropriate funds.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the function level. Only the Board of Supervisors can revise the appropriation for each department or category. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and the School Construction Projects Funds. 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).

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

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

A. Budgetary information (continued)

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. All budgetary data presented in the accompanying financial statements is the revised budget.

B. Excess of expenditures over appropriations:

At June 30, 2024, no funds had expenditures in excess of appropriations.

Note 3-Deposits and Investments:

Deposits

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

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).

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	1 Year	1-5 Years
Local Government Investment Pool	\$ 27,096,089	\$ 27,096,089	\$ -
Treasury Notes	5,270,938	3,704,878	1,566,060
Totals	\$ 32,367,027	\$ 30,800,967	\$ 1,566,060

External Investment Pool

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 3-Deposits and Investments: (continued)

Custodial Credit Risk

At year end, the County was not exposed to any custodial credit risk for deposits or investments. The County limits deposits to those banks fully collateralized under the Commonwealth's Security for Public Deposits Act. The County policy in regards to investments requires that all investments be held in the County's name.

Credit Risk of Debt Securities

The County's debt investments consist of the following:

County's Rated Debt Investments'			
Rated Debt Investments	Fair Quality Ratings		
	S&P Aam	Moody's - Aaa	S&P Aaam
Local Government Investment Pool	\$ 27,096,089	\$ -	\$ -
Treasury Notes	-	5,270,938	3,704,878

Note 4-Fair Value Measurements:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The Town maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances.

The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1. Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at a measurement date
- Level 2. Directly or indirectly observable inputs for the asset or liability other than quoted prices
- Level 3. Unobservable inputs that are supported by little or no market activity for the asset or liability

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk.

The County has the following recurring fair value measurements as of June 30, 2024:

Investment Type	Balance at June 30, 2024	Fair Value Level 1
Treasury Notes	\$ 5,270,938	\$ 5,270,938

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 5-Due from Other Governmental Units:

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

	Primary Government	Component Unit- School Board
<u>Commonwealth of Virginia:</u>		
State sales tax	\$ 187,611	\$ 434,751
Categorical aid-shared expenses	196,333	-
Categorical aid-Comprehensive Services Act	130,472	-
Categorical aid-Virginia Public Assistance	172,666	-
Categorical aid-other	137,860	-
Noncategorical aid	770,508	-
<u>Federal Government:</u>		
Categorical aid-other	298,762	1,666,996
Categorical aid-Virginia Public Assistance	316,719	-
	\$ <u>2,210,931</u>	\$ <u>2,101,747</u>

Note 6-Interfund Transfers:

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.

There were no interfund transfers during the year ended June 30, 2024.

Note 7-Long-term Obligations:

Primary Government - Governmental Activities Indebtedness:

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

	Beginning Balance	Increases/ Issuances	Decreases/ Retirements	Ending Balance
Direct Borrowings and Placements	\$ 12,040,548	\$ -	\$ (1,045,548)	\$ 10,995,000
Premium on Issuance	1,325,411	-	(137,816)	1,187,595
Lease Liabilities	788,356	-	(114,666)	673,690
Net Pension Liability	4,079,927	3,229,222	(2,677,832)	4,631,317
Landfill Post Closure Liability	9,709	320	-	10,029
Compensated Absences	561,709	475,976	(421,282)	616,403
Total	\$ <u>18,805,660</u>	\$ <u>3,705,518</u>	\$ <u>(4,397,144)</u>	\$ <u>18,114,034</u>

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 7-Long-term Obligations: (continued)

Primary Government - Governmental Activities Indebtedness: (continued)

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

Year Ending June 30,	Direct Borrowings and Placements		Lease Liabilities	
	Principal	Interest	Principal	Interest
2025	\$ 745,000	\$ 710,650	\$ 116,445	\$ 9,555
2026	755,000	700,900	118,251	7,749
2027	765,000	690,650	120,085	5,915
2028	780,000	679,775	121,947	4,053
2029	790,000	668,275	123,838	2,162
2030-2034	2,480,000	1,660,700	73,124	376
2035-2039	1,715,000	687,650	-	-
2040-2044	2,075,000	340,919	-	-
2045-2046	890,000	30,405	-	-
Totals	<u>\$ 10,995,000</u>	<u>\$ 6,169,924</u>	<u>\$ 673,690</u>	<u>\$ 29,810</u>

Details of long-term indebtedness:

	Interest Rates	Issue Date	Final Maturity Date	Amount of Original Issue	Balance at June 30	Amount Due Within One Year
Direct Borrowings and Placements:						
QSCB	6.238%	12/01/2011	2031	\$ 10,000,000	\$ 3,885,000	\$ 555,000
VRA 2021 A Refunding Bond ⁽¹⁾⁽²⁾	2.25-4.596%	05/26/2021	2046	7,650,000	7,110,000	190,000
Premium on VRA 2021 Refunding Bond	n/a	n/a	n/a	n/a	1,187,595	-
Total Direct Borrowings and Placements					<u>\$ 12,182,595</u>	<u>\$ 745,000</u>
Lease Liabilities:						
DSS building with IDA	1.540%	02/01/2020	2030	\$ 1,167,082	\$ 673,690	\$ 116,445
Other Obligations:						
Net Pension Liability	n/a	n/a	n/a	n/a	\$ 4,631,317	\$ -
Landfill Postclosure Liability	n/a	n/a	n/a	n/a	10,029	-
Compensated Absences	n/a	n/a	n/a	n/a	616,403	462,302
Total Other Obligations					<u>\$ 5,257,749</u>	<u>\$ 462,302</u>
Total Long-term Obligations					<u>\$ 18,114,034</u>	<u>\$ 1,323,747</u>

(1) In the event of default, the lender(s) may declare the entire unpaid principal and interest balances on the revenue bonds as due and payable.

(2) Unassigned general fund balance shall increase to no less than two months of regular operating revenues or expenditures. The judicial center is collateral on the issuance.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 8-Long-term Obligations-Component Unit School Board:

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

	Beginning Balance	Increase	Decrease	Ending Balance	Amount Due Within One Year
Net pension liability	\$ 17,719,316	\$ 6,767,054	\$ (5,801,712)	\$ 18,684,658	\$ -
Net OPEB liabilities	15,376,725	1,521,092	(6,010,573)	10,887,244	-
Compensated absences	1,026,589	724,210	(769,942)	980,857	735,643
Total	<u>\$ 34,122,630</u>	<u>\$ 9,012,356</u>	<u>\$ (12,582,227)</u>	<u>\$ 30,552,759</u>	<u>\$ 735,643</u>

Note 9-Pension Plans:

Plan Description

All full-time, salaried permanent employees of the County and (nonprofessional) employees of the public school divisions are automatically covered by the VRS Retirement Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. However, several entities whose financial information is not included in the primary government report, participate in the VRS plan through the County and the participating entities report their proportionate information on the basis of a cost-sharing plan. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

Benefit Structures

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

- a. Employees with a membership date 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.
- 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 9-Pension Plans: (continued)*****Benefit Structures (continued)***

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

Average Final Compensation and Service Retirement Multiplier

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

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

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

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 12.78% 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 \$884,519 and \$780,983 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)****Contributions (continued)**

The Component Unit Public Service Authority's contractually required employer contribution rate for the year ended June 30, 2024 was 12.78% 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 Public Service Authority were \$83,182 and \$77,671 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net Pension Liability

At June 30, 2024, the County and Component Unit Public Service Authority reported a liability of \$4,631,317 and \$442,237, respectively, for its proportionate share of the net pension liability. The County's and Component Unit Public Service Authority's net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. In order to allocate the net pension liability to all employers included in the plan, the County and Component Unit Public Service Authority are required to determine its proportionate share of the net pension liability. Creditable compensation as of June 30, 2023 and 2022 was used as a basis for allocation to determine the County and Component Unit Public Service Authority's proportionate share of the net pension liability. At June 30, 2023 and 2022, the County's proportion was 68.1137% and 67.6071%, respectively. At June 30, 2023 and 2022, the Component Unit Public Service Authority's proportion was 6.5460% and 7.1281%, respectively.

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the Dickenson County's Retirement Plan and the Dickenson County Public Schools 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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 9-Pension Plans: (continued)

Actuarial Assumptions - General Employees (continued)

Mortality rates: (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:

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) - 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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 9-Pension Plans: (continued)

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the Dickenson 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

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:

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 9-Pension Plans: (continued)

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. 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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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**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%.

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 FY 2012 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% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Proportionate share of the County Retirement Plan:			
County	\$ 8,801,682	\$ 4,631,317	\$ 1,232,715
Component Unit Public Service Authority	\$ 840,458	\$ 442,237	\$ 117,710

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 Public Service Authority recognized pension expense of \$816,261 and \$56,941, respectively. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

COUNTY OF DICKENSON, VIRGINIA

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: (continued)

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

	Primary Government		Component Unit Public Service Authority	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 672,730	\$ 117,957	\$ 66,864	\$ 13,611
Change in assumptions	105,941	-	12,224	-
Net difference between projected and actual earnings on pension plan investments	-	384,179	-	56,205
Change in proportionate share	32,135	-	-	32,326
Employer contributions subsequent to the measurement date	884,519	-	83,182	-
Total	\$ 1,695,325	\$ 502,136	\$ 162,270	\$ 102,142

\$884,519 and \$83,182 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit Public Service Authority's contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit Public Service Authority
2025	\$ 71,389	\$ (11,750)
2026	(197,189)	(46,043)
2027	421,311	33,482
2028	13,159	1,257

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 9-Pension Plans: (continued)****Component Unit School Board (Nonprofessional)**

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

Employees Covered by Benefit Terms

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

	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	131
Inactive members:	
Vested inactive members	7
Non-vested inactive members	19
Inactive members active elsewhere in VRS	11
Total inactive members	37
Active members	63
Total covered employees	231

Contributions

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2024 was 42.89% 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 \$640,278 and \$597,823 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. The Component Unit School Board's (nonprofessional) net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022, rolled forward to the measurement date of June 30, 2023.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 9-Pension Plans: (continued)

Component Unit School Board (Nonprofessional) (continued)

Changes in Net Pension Liability

	Component School Board (Nonprofessional)		
	Increase (Decrease)		
	Total	Plan	Net
	Pension Liability (a)	Fiduciary Net Position (b)	Pension Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 12,857,252	\$ 5,988,562	\$ 6,868,690
Changes for the year:			
Service cost	\$ 121,816	\$ -	\$ 121,816
Interest	840,336	-	840,336
Differences between expected and actual experience	152,146	-	152,146
Assumption changes	-	-	-
Contributions - employer	-	597,823	(597,823)
Contributions - employee	-	64,075	(64,075)
Net investment income	-	369,607	(369,607)
Benefit payments, including refunds	(1,059,298)	(1,059,298)	-
Administrative expenses	-	(3,912)	3,912
Other changes	-	148	(148)
Net changes	\$ 55,000	\$ (31,557)	\$ 86,557
Balances at June 30, 2023	\$ 12,912,252	\$ 5,957,005	\$ 6,955,247

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

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

	Rate		
	(5.75%)	(6.75%)	(7.75%)
Component Unit School Board (Nonprofessional) Net Pension Liability	\$ 8,221,984	\$ 6,955,247	\$ 5,865,095

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 9-Pension Plans: (continued)

Component Unit School Board (Nonprofessional) (continued)

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

For the year ended June 30, 2024, the Component Unit School Board (nonprofessional) recognized pension expense of \$456,708. At June 30, 2024, the Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Component Unit School Board (Nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 69,006	\$ -
Net difference between projected and actual earnings on pension plan investments	-	103,321
Employer contributions subsequent to the measurement date	640,278	-
Total	\$ 709,284	\$ 103,321

\$640,278 reported as deferred outflows of resources related to pensions resulting from the Component Unit School Board's (nonprofessional) contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability 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	Component Unit School Board (Nonprofessional)
2025	\$ (2,317)
2026	(124,187)
2027	87,971
2028	4,218

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 9-Pension Plans: (continued)****Component Unit School Board (Professional)*****Plan Description***

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward 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 \$1,941,344 and \$1,831,852 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 a Chapter 2 of the Acts of Assembly 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 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 \$11,729,411 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 0.11605% as compared to 0.11400% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized pension expense of \$1,051,438. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

COUNTY OF DICKENSON, VIRGINIA

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:

	Component Unit School Board (Professional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,007,566	\$ 457,732
Change in assumptions	531,735	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	311,565	301,314
Net difference between projected and actual earnings on pension plan investments	-	762,648
Employer contributions subsequent to the measurement date	1,941,344	-
Total	<u>\$ 3,792,210</u>	<u>\$ 1,521,694</u>

\$1,941,344 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:

Year ended June 30	Component Unit School Board (Professional)
2025	\$ (244,921)
2026	(699,841)
2027	1,010,729
2028	263,205

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

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 MP standard rates

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

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 9-Pension Plans: (continued)

Component Unit School Board (Professional) (continued)

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2023, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	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 this plan.

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Dickenson County School Board's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$ 20,792,062	\$ 11,729,411	\$ 4,279,166

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 9-Pension Plans: (continued)****Component Unit School Board (Professional) (continued)****Pension Plan Fiduciary Net Position**

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

Aggregate Pension Information

	Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:				
School Board Nonprofessional	\$ 709,284	\$ 103,321	\$ 6,955,247	\$ 456,708
School Board Professional	3,792,210	1,521,694	11,729,411	1,051,438
Totals	<u>\$ 4,501,494</u>	<u>\$ 1,625,015</u>	<u>\$ 18,684,658</u>	<u>\$ 1,508,146</u>

Note 10-Other Postemployment Benefits-Health Insurance:

In addition to the pension benefits described in Note 9, the School Board administers a single-employer defined benefit healthcare plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the School Board's pension plan. The plan does not issue a publicly available financial report.

Benefits Provided

A retiree, eligible for post-retirement medical coverage, is defined as a full-time employee who retires directly from the School Board and is eligible to receive an early or regular retirement benefit from VRS. Employees applying for early or regular retirement are eligible to continue participation in the Retiree Health Plans sponsored by the School Board. Employees at the School Board are allowed to stay on the plan until they are eligible to receive medicare benefits. The employee pays 100% of the required premium.

Plan Membership

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

Total active employees with coverage	271
Total retirees with coverage	24
Total spouses of retirees with coverage	<u>13</u>
Total	<u>308</u>

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 10-Other Postemployment Benefits-Health Insurance: (continued)

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 \$593,320.

Total OPEB Liability

The School Boards total OPEB liability was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2023 and rolled forward to June 30, 2024.

Actuarial Assumptions

The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Component Unit-School Board:

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	3.93%
Mortality Rates:	
Pre-Retirement	Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males. Base rates are shown below. 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 shown below. 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 Teachers Disabled Rates projected generationally; 110% of rates for males and females. Base rates are shown below. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

Discount Rate

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is based on the Bond Buyer General Obligation 20-Bond Municipal Index.

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COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 10-Other Postemployment Benefits-Health Insurance: (continued)

Changes in Total OPEB Liability

		Component Unit - School Board Total OPEB Liability
Balances at June 30, 2023	\$	12,997,105
Changes for the year:		
Service cost		402,298
Interest		478,347
Economic/Demographic Gains or Losses		(3,435,121)
Changes in assumptions		(1,164,924)
Benefit payments		(593,320)
Net changes		(4,312,720)
Balances at June 30, 2024	\$	8,684,385

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

The following amounts present the total OPEB liability of the 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:

Rate		
1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
\$ 9,349,714	\$ 8,684,385	\$ 8,056,617

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

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

Rates		
1% Decrease	Healthcare Cost Trend	1% Increase
\$ 7,744,202	\$ 8,684,385	\$ 9,777,763

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 10-Other Postemployment Benefits-Health Insurance: (continued)

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 \$455,394. 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	\$ 925,755	\$ 2,786,985
Changes of assumptions	506,016	1,018,671
Total	<u>\$ 1,431,771</u>	<u>\$ 3,805,656</u>

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

Year Ending June 30	
2025	\$ (425,251)
2026	(450,637)
2027	(555,286)
2028	(682,331)
2029	(260,380)

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 OPEB, including eligibility, coverage and benefits is described below:

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 11-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)*****Eligible Employees***

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

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. 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% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 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 Group Life Insurance Plan from the Component Unit-School Board (Non-professional) were \$8,251 and \$7,796 for the years ended June 30, 2024 and June 30, 2023, respectively.

Contributions to the Group Life Insurance Plan from the Component Unit-School Board (Professional) were \$65,359 and \$61,452 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. The 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, as is classified as a special employer contribution. The entity did not record a proportionate share of the contribution 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 Component Unit-School Board (Nonprofessional) reported a liability of \$73,518 for its proportionate share of the Net GLI OPEB Liability.

COUNTY OF DICKENSON, VIRGINIA

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)

At June 30, 2024, the Component Unit-School Board (Professional) reported a liability of \$579,388 for its proportionate share of the Net GLI OPEB Liability.

The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the 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, Component Unit-School Board (Nonprofessional)'s proportion was 0.00610% as compared to 0.00620% at June 30, 2022.

At June 30, 2023, the Component Unit-School Board (Professional)'s proportion was 0.04830% as compared to 0.04800% at June 30, 2022.

For the year ended June 30, 2024, the Component Unit-School Board (Nonprofessional) recognized GLI OPEB expense of \$833. 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 \$7,593. 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:

	Component Unit School Board			
	Nonprofessional		Professional	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,343	\$ 2,232	\$ 57,867	\$ 17,587
Net difference between projected and actual earnings on GLI OPEB plan investments	-	2,954	-	23,283
Change in assumptions	1,571	5,094	12,385	40,142
Changes in proportionate share	167	6,068	10,712	20,127
Employer contributions subsequent to the measurement date	8,251	-	65,359	-
Total	\$ 17,332	\$ 16,348	\$ 146,323	\$ 101,139

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 Group Life Insurance Plan OPEB (continued)***

\$8,251 and \$65,359 reported as deferred outflows of resources related to the GLI OPEB resulting from the Component Unit-School Board (nonprofessional) and Component Unit-School Board (professional)'s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 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	Component Unit-School Board (Nonprofessional)	Component Unit-School Board (Professional)
2025	\$ (2,190)	\$ (11,138)
2026	(4,792)	(25,953)
2027	(530)	7,839
2028	(421)	2,692
2029	666	6,385

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%
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality Rates - Teachers**Pre-Retirement:**

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

Post-Retirement:

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

Post-Disablement:

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 11-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)****Actuarial Assumptions: (continued)****Mortality Rates - Teachers: (continued)**

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 rate

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

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

COUNTY OF DICKENSON, VIRGINIA

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. 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

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

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

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

<u>Asset Class (Strategy)</u>	<u>Long-Term Target Asset Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	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	<u>100.00%</u>		<u>5.75%</u>
		Inflation	<u>2.50%</u>
		Expected arithmetic nominal return**	<u>8.25%</u>

*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%.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 11-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Discount Rate

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Proportionate share of the GLI Plan Net OPEB Liability:			
Component Unit-School Board (Nonprofessional)	\$ 108,977	\$ 73,518	\$ 44,849
Component Unit-School Board (Professional)	\$ 858,835	\$ 579,388	\$ 353,454

GLI 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 12- Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan):*****Plan Description***

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2024 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was 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 \$146,396 and \$137,629 for the years ended June 30, 2024 and June 30, 2023, respectively.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 12- Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)****Contributions (continued)**

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 a 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 of the contribution in the financial statements.

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

At June 30, 2024 the school division reported a liability of \$1,381,864 for its proportionate share of the VRS Teacher Employee HIC Plan Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2023 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC 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 OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 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 was 0.11410% as compared to 0.11201% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized VRS Teacher Employee Health Insurance Credit Plan OPEB expense of \$64,896. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 60,823
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	693	-
Change in assumptions	32,167	1,392
Changes in proportionate share and differences between actual and expected contributions	42,935	81,752
Employer contributions subsequent to the measurement date	146,396	-
Total	\$ 222,191	\$ 143,967

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

\$146,396 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2025	\$ (37,236)
2026	(16,510)
2027	(4,902)
2028	(7,437)
2029	(2,811)
Thereafter	724

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 12- Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

Actuarial Assumptions: (continued)

Mortality Rates - Teachers: (continued)

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

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 are as follows (amounts expressed in thousands):

	Teacher Employee HIC OPEB Plan	
	<hr/>	
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%

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 12- Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)****Net Teacher Employee HIC OPEB Liability: (continued)**

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

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	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%.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 12- 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.

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 1,563,042	\$ 1,381,864	\$ 1,228,331

Teacher Employee HIC OPEB Fiduciary Net Position

Detailed information about the VRS Teacher Employee HIC Plan's Fiduciary Net Position is available in the separately issued VRS 2023 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.

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

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

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

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>37</u>
Inactive members:	
Vested inactive members	2
Inactive members active elsewhere in VRS	11
Total inactive members	<u>13</u>
Active members	<u>63</u>
Total covered employees	<u><u>113</u></u>

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The Component Unit School Board's contractually required employer contribution rate for the year ended June 30, 2024 was 2.29% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Component Unit School Board to the HIC Plan were \$34,991 and \$32,600 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net HIC OPEB Liability

The Component Unit School Board's 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%
Investment rate of return	6.75%, net of investment expenses, including inflation

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 13—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 13—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	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%.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

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

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 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.

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 358,795	\$ 30,250	\$ 328,545
Changes for the year:			
Service cost	\$ 1,675	\$ -	\$ 1,675
Interest	23,620	-	23,620
Differences between expected and actual experience	(150,884)	-	(150,884)
Contributions - employer	-	32,601	(32,601)
Net investment income	-	2,323	(2,323)
Benefit payments	(21,096)	(21,096)	-
Administrative expenses	-	(62)	62
Other changes	-	5	(5)
Net changes	\$ (146,685)	\$ 13,771	\$ (160,456)
Balances at June 30, 2023	\$ 212,110	\$ 44,021	\$ 168,089

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Component Unit School Board Net HIC OPEB Liability	\$ 186,925	\$ 168,089	\$ 151,838

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

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

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

For the year ended June 30, 2024, the Component Unit School Board recognized HIC Plan OPEB expense of \$(15,984). At June 30, 2024, the Component Unit School Board reported deferred outflows of resources and deferred inflows of resources related to the Component Unit School Board's HIC Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 112,813
Net difference between projected and actual earnings on HIC OPEB plan investments	390	-
Change in assumptions	4,186	-
Employer contributions subsequent to the measurement date	34,991	-
Total	<u>\$ 39,567</u>	<u>\$ 112,813</u>

\$34,991 reported as deferred outflows of resources related to the HIC OPEB resulting from the Component Unit School Board's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 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:

<u>Year Ended June 30</u>	
2025	\$ (40,443)
2026	(41,364)
2027	(26,451)
2028	21

HIC Plan Data

Information about the VRS Political Subdivision HIC 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.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 14-Aggregate OPEB Information:

	Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:				
Group Life Insurance Plan:				
School Board Nonprofessional	\$ 17,332	\$ 16,348	\$ 73,518	\$ 833
School Board Professional	146,323	101,139	579,388	7,593
Health Insurance Credit Plan:				
School Board Health Insurance Credit Plan	39,567	112,813	168,089	(15,984)
Teacher Health Insurance Credit Plan	222,191	143,967	1,381,864	64,896
School Stand-Alone Plan	1,431,771	3,805,656	8,684,385	455,394
Totals	<u>\$ 1,857,184</u>	<u>\$ 4,179,923</u>	<u>\$ 10,887,244</u>	<u>\$ 512,732</u>

Note 15-Capital Assets:

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

Primary Government:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 3,189,216	\$ -	\$ -	\$ 3,189,216
Construction in progress	-	333,162	-	333,162
Total capital assets, not being depreciated	<u>\$ 3,189,216</u>	<u>\$ 333,162</u>	<u>\$ -</u>	<u>\$ 3,522,378</u>
Capital assets, being depreciated				
Buildings and improvements	\$ 33,214,612	\$ -	\$ -	\$ 33,214,612
Machinery and equipment	6,374,635	366,487	-	6,741,122
Right-to-use leased buildings and improvements	1,012,462	-	-	1,012,462
Total capital assets, being depreciated	<u>\$ 40,601,709</u>	<u>\$ 366,487</u>	<u>\$ -</u>	<u>\$ 40,968,196</u>
Accumulated depreciation:				
Buildings and improvements	\$ (11,571,159)	\$ (892,151)	\$ -	\$ (12,463,310)
Machinery and equipment	(4,928,099)	(471,117)	-	(5,399,216)
Right-to-use leased buildings and improvements	(235,606)	(118,126)	-	(353,732)
Total accumulated depreciation	<u>\$ (16,734,864)</u>	<u>\$ (1,481,394)</u>	<u>\$ -</u>	<u>\$ (18,216,258)</u>
Total capital assets being depreciated/amortized, net	<u>\$ 23,866,845</u>	<u>\$ (1,114,907)</u>	<u>\$ -</u>	<u>\$ 22,751,938</u>
Governmental activities capital assets, net	<u>\$ 27,056,061</u>	<u>\$ (781,745)</u>	<u>\$ -</u>	<u>\$ 26,274,316</u>

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 15-Capital Assets: (continued)

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

Discretely Presented Component Unit School Board:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 2,594,378	\$ -	\$ -	\$ 2,594,378
Construction in progress	27,405,429	5,495,753	-	32,901,182
Total capital assets, not being depreciated	<u>\$ 29,999,807</u>	<u>\$ 5,495,753</u>	<u>\$ -</u>	<u>\$ 35,495,560</u>
Capital assets, being depreciated				
Buildings and improvements	\$ 62,833,716	\$ -	\$ -	\$ 62,833,716
Machinery and equipment	8,273,277	1,103,619	-	9,376,896
Total capital assets, being depreciated	<u>\$ 71,106,993</u>	<u>\$ 1,103,619</u>	<u>\$ -</u>	<u>\$ 72,210,612</u>
Accumulated depreciation:				
Buildings and improvements	\$ (12,455,330)	\$ (1,516,523)	\$ -	\$ (13,971,853)
Machinery and equipment	(6,290,046)	(451,819)	-	(6,741,865)
Total accumulated depreciation	<u>\$ (18,745,376)</u>	<u>\$ (1,968,342)</u>	<u>\$ -</u>	<u>\$ (20,713,718)</u>
Total capital assets being depreciated, net	<u>\$ 52,361,617</u>	<u>\$ (864,723)</u>	<u>\$ -</u>	<u>\$ 51,496,894</u>
Governmental activities capital assets, net	<u>\$ 82,361,424</u>	<u>\$ 4,631,030</u>	<u>\$ -</u>	<u>\$ 86,992,454</u>

Depreciation and amortization expense were charged to functions/programs of the primary government as follows:

Primary Government	
Governmental activities:	
General government administration	\$ 162,179
Judicial administration	266,179
Public safety	241,087
Public works	206,917
Health and welfare	123,925
Education	377,906
Parks, recreation, and cultural	100,071
Community Development	3,130
Total depreciation expense-governmental activities	<u>\$ 1,481,394</u>

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 16-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 and auto insurance with the Virginia Municipal Liability Pool. Each member of each 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 Municipal Group contributions and assessments based upon classification and rates into a designated cash reserve fund out of which expenses of the pool, claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the pool may assess all members in the proportion in which the premium of each bears to the total premiums of all members in the year in which such deficit occurs. The County and its component unit - School Board continue to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 17-Contingent Liabilities:

Federal programs in which the County and its component units participate were audited in accordance with the provisions of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award*. 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 18-Surety Bonds:

Primary Government:

<u>Fidelity & Deposit Company of Maryland-Surety:</u>	
Richard Edwards, Clerk of the Circuit Court	\$ 103,000
Angela Rakes, Treasurer	400,000
Shelly B. Mullins, Commissioner of the Revenue	3,000
Jeremy Fleming, Sheriff	30,000
All constitutional officers' employees: blanket bond	50,000
 <u>VACo Insurance Programs</u>	
All County employees-blanket bond	\$ 250,000
 <u>Hartford Insurance Company-Surety:</u>	
All Social Services employees-blanket bond	\$ 100,000

Component Unit - School Board:

<u>Nationwide Insurance -Surety</u>	
Haydee Robinson, Superintendent	\$ 10,000
Tonya Baker, Clerk of the School Board	10,000
Laura Taylor, Deputy Clerk of the School Board	10,000
All School Board employees: blanket bond	10,000

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 19-Landfill Post Closure Care Cost:

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site after closure. The landfill has stopped accepting waste and \$10,029 is the total estimated post closure care liability at June 30, 2024. The liability represents what it cost to perform all post closure care in 2024. Actual costs post closure monitoring may change due to inflation, deflation, changes in technology or changes in regulations. The County uses the Commonwealth of Virginia's financial assurance mechanism to meet the Department of Environmental Quality's assurance requirements for landfill post closure costs.

The County has demonstrated financial assurance requirements for closure and post closure care and corrective action costs through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VAC20-70 of the Virginia Administrative Code.

Note 20-Deferred/Unavailable Revenue:

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

	Government-wide Statements Governmental Activities	Balance Sheet Governmental Funds
Long-term portion of opioid settlement receivable that is not available for funding of current expenditures	\$ -	\$ 1,553,390
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	-	4,982,083
2nd half assessments due in December 2023	7,696,602	7,696,602
Prepaid property taxes due in December 2023 but paid in advance by taxpayers	503,971	503,971
	\$ 8,200,573	\$ 14,736,046

At June 30, 2024, the School Board reported \$1,111,629 in unearned grant revenue.

Note 21-Litigation:

As of June 30, 2024, a claim has been filed against the County in regard to erroneous assessment of taxes, ranging from approximately \$577,000 to \$3,131,000. The County is vigorously defending itself against the claims and does not believe that payout is probable or reasonably estimable as of the date of the report; therefore, no liability has been recognized in the financial statements.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 22-Concentration Risk:

Historically, the County has relied on taxes generated by the Coal Industry. Direct taxes remitted from same include coal and gas severance and machinery and tools taxes. In the past five years, general fund net revenue generated from these sources has declined significantly. This decline in revenue has occurred due to changes in environmental policies of the United States Government. The County does not anticipate significant changes in these policies to occur in the near term. As such, the County does not anticipate continued reliance on the aforementioned revenues. In addition, the County anticipates that other revenue sources will be negatively impacted by a shrinking coal economy; however, estimates (projections) of these declines are not readily available. To date, the County has not identified alternative sources of revenue to maintain historical budget levels.

Note 23-Self Health Insurance:

The County and School Board of Dickenson, Virginia established a limited risk management program for health insurance. Premiums are paid into the health plan fund from the County and School Board and are available to pay claims, and administrative costs of the program. During the fiscal year 2024, the County and the School board has a total of \$1,660,841 and \$5,699,390 that was paid in benefits and administrative costs, respectively. The risk assumed by the County and the School Board is based on the number of participants in the program. The risk varies by the number of participants and their specific plan type (Keycare, Bluecare, etc.). The County and the School Board have incurred but not reported claims of \$143,090 and \$629,365 have not been accrued as a liability based primarily on actual cost incurred prior to June 30, but paid after year-end, respectively. Interfund premiums are based primarily upon the insured funds' claims experience and are reported as quasi-external interfund transactions. Changes in the claims liability during fiscal year 2024 and the prior fiscal year were as follows:

County:

Fiscal Year	Balance at Beginning of Fiscal Year	Claims and Changes in Estimates	Claim Payments	Balance at End of Fiscal Year
2023-24	\$ 113,101	\$ 1,690,830	\$ (1,660,841)	\$ 143,090
2022-23	\$ 145,810	\$ 1,846,883	\$ (1,879,592)	\$ 113,101

School Board:

Fiscal Year	Balance at Beginning of Fiscal Year	Claims and Changes in Estimates	Claim Payments	Balance at End of Fiscal Year
2023-24	\$ 766,096	\$ 5,562,659	\$ (5,699,390)	\$ 629,365
2022-23	\$ 517,930	\$ 4,349,387	\$ (4,101,221)	\$ 766,096

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 24-Line of Duty Act (LODA) (OPEB Benefits):

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

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

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The County's LODA coverage is fully covered or "insured" through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The County's LODA premium for the year ended June 30, 2024 was \$35,088.

Note 25-Commitments and Contingencies:

The School Board were involved in major construction projects during the fiscal year as presented below:

Project	Contract Amount	Contract Amount Outstanding at June 30,
Chip Mill Road	\$ 332,830	\$ 221,851
Ridgeview Elementary School PPEA Expansion	3,410,590	157,405
Ridgeview Elementary School Classroom Addition	4,856,065	1,586,426
Ridgeview Elementary School Classroom Addition	19,204,761	175,000
Sandlick Elementary School	465,164	26,077

Note 26-Adoption of Accounting Principle:

The County implemented provisions of the Governmental Accounting Standards Board Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. Statement No. 100 provides more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability for accounting changes and error corrections.

Note 27 - Restatement of Beginning Balances:

Beginning net position and fund balance for the Component Unit School Board were restated due to the exclusion of Ridgeview High School Activity Fund from the School Activity Fund financial statements:

	<u>Fund Balance</u>	<u>Net Position</u>
	School Activity Fund	School Board
Beginning balance, as previously stated	\$ 632,768	\$ 59,362,093
SAF school excluded	(467,496)	(467,496)
Beginning balance, as restated	<u>\$ 165,272</u>	<u>\$ 58,894,597</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 28 - Subsequent Events:

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

Note 29 - 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.

County of Dickenson, 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	\$ 12,239,500	\$ 12,222,000	\$ 11,696,742	\$ (525,258)
Other local taxes	4,295,800	7,499,300	7,351,183	(148,117)
Permits, privilege fees, and regulatory licenses	10,500	8,500	8,371	(129)
Fines and forfeitures	49,000	49,000	87,845	38,845
Revenue from the use of money and property	71,750	151,750	103,194	(48,556)
Charges for services	357,332	345,600	377,910	32,310
Miscellaneous	454,533	849,533	671,149	(178,384)
Recovered costs	496,338	557,718	588,047	30,329
Intergovernmental:				
Commonwealth	7,119,289	8,150,449	8,205,695	55,246
Federal	5,056,293	5,126,478	3,902,533	(1,223,945)
Total revenues	\$ 30,150,335	\$ 34,960,328	\$ 32,992,669	\$ (1,967,659)
EXPENDITURES				
Current:				
General government administration	\$ 2,249,483	\$ 2,723,277	\$ 2,721,917	\$ 1,360
Judicial administration	1,795,392	1,855,146	1,809,151	45,995
Public safety	5,594,212	6,570,500	6,501,810	68,690
Public works	2,719,045	2,787,468	2,700,392	87,076
Health and welfare	8,522,732	8,527,060	7,833,995	693,065
Education	5,618,633	5,618,633	6,018,633	(400,000)
Parks, recreation, and cultural	480,170	510,157	547,633	(37,476)
Community development	1,963,261	4,881,747	1,758,966	3,122,781
Nondepartmental	269,407	516,440	307,584	208,856
Capital projects	50,000	50,000	3,264	46,736
Debt service:				
Principal retirement	585,589	605,303	605,214	89
Interest and other fiscal charges	302,411	314,597	314,542	55
Total expenditures	\$ 30,150,335	\$ 34,960,328	\$ 31,123,101	\$ 3,837,227
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 1,869,568	\$ 1,869,568
Net change in fund balances	\$ -	\$ -	\$ 1,869,568	\$ 1,869,568
Fund balances - beginning	-	-	15,046,332	15,046,332
Fund balances - ending	\$ -	\$ -	\$ 16,915,900	\$ 16,915,900

County of Dickenson, Virginia
Special Revenue Fund-Coal Road Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other local taxes	\$ 2,850,000	\$ 6,050,000	\$ 5,823,365	\$ (226,635)
Revenue from the use of money and property	500	5,000	4,970	(30)
Total revenues	<u>\$ 2,850,500</u>	<u>\$ 6,055,000</u>	<u>\$ 5,828,335</u>	<u>\$ (226,665)</u>
EXPENDITURES				
Current:				
Public works	\$ 1,603,100	\$ 3,474,225	\$ 1,217,295	\$ 2,256,930
Community development	1,247,400	2,580,775	2,646,941	(66,166)
Total expenditures	<u>\$ 2,850,500</u>	<u>\$ 6,055,000</u>	<u>\$ 3,864,236</u>	<u>\$ 2,190,764</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,964,099</u>	<u>\$ 1,964,099</u>
Net change in fund balances	\$ -	\$ -	\$ 1,964,099	\$ 1,964,099
Fund balances - beginning, as restated	-	-	20,614,390	20,614,390
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,578,489</u>	<u>\$ 22,578,489</u>

County of Dickenson, Virginia
Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)
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) (NPLA) (2)	Employer's Proportionate Share of the NPLA (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the NPLA as a Percentage of Covered Payroll (3)/(4) (5)	Employer's Pension Plan's Fiduciary Net Position as a Percentage of Total Pension Liability (Asset) (6)
Primary Government - Dickenson County Retirement Plan					
2023	68.1137% \$	4,631,317 \$	6,397,305	72.39%	84.91%
2022	67.6071%	4,079,927	5,807,230	70.26%	85.81%
2021	67.1057%	1,932,571	5,405,725	35.75%	92.87%
2020	67.9755%	6,173,959	5,344,568	115.52%	76.74%
2019	68.9258%	4,451,376	4,960,386	89.74%	82.38%
2018	69.4945%	3,185,675	4,931,102	64.60%	86.44%
2017	69.4945%	3,236,229	4,853,848	66.67%	85.64%
2016	71.5412%	4,204,689	4,961,118	84.75%	81.06%
2015	73.0764%	3,452,312	4,900,886	70.44%	84.15%
2014	73.0764%	2,806,983	4,836,327	58.04%	86.32%
Component Unit Public Service Authority					
2023	6.5460% \$	442,237 \$	610,868	72.39%	84.91%
2022	7.1281%	430,163	612,280	70.26%	85.81%
2021	7.7432%	222,996	623,756	35.75%	92.87%
2020	7.6243%	692,487	599,457	115.52%	76.74%
2019	8.0193%	517,904	577,125	89.74%	82.38%
2018	7.9871%	366,134	566,738	64.60%	86.44%
2017	7.9871%	371,945	567,935	65.49%	85.64%
2016	8.4128%	494,447	565,268	87.47%	81.06%
2015	8.3263%	393,355	558,405	70.44%	84.15%
2014	8.3263%	319,828	551,049	58.04%	86.32%
Component Unit School Board (professional)					
2023	0.11605% \$	11,729,411 \$	11,374,262	103.12%	82.45%
2022	0.11400%	10,850,626	10,439,514	103.94%	82.61%
2021	0.11315%	8,783,945	9,841,093	89.26%	85.46%
2020	0.11780%	17,141,538	10,133,506	169.16%	71.47%
2019	0.11518%	15,158,343	9,497,640	159.60%	73.51%
2018	0.12033%	14,151,000	9,590,414	147.55%	74.81%
2017	0.12317%	15,148,000	9,599,056	157.81%	72.92%
2016	0.13937%	19,532,000	10,630,160	183.74%	68.28%
2015	0.13813%	17,386,000	10,002,824	173.81%	70.68%
2014	0.13882%	16,776,000	10,115,746	165.84%	70.88%

County of Dickenson, Virginia
Schedule of Changes in Net Pension Liability (Asset) and Related Ratio
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	\$ 121,816	\$ 104,691	\$ 130,691	\$ 129,577	\$ 129,184	\$ 132,297	\$ 148,144	\$ 151,440	\$ 155,770	\$ 158,898
Interest	840,336	854,887	829,134	819,701	836,210	841,539	828,266	808,963	792,187	787,715
Changes of assumptions	-	-	368,626	-	284,980	-	162,640	-	-	-
Differences between expected and actual experience	152,146	(159,223)	(27,948)	187,914	(97,735)	(111,188)	(27,037)	228,526	186,523	-
Benefit payments	(1,059,298)	(1,006,804)	(1,040,529)	(954,360)	(955,216)	(922,336)	(922,456)	(903,887)	(885,765)	(875,670)
Net change in total pension liability	\$ 55,000	\$ (206,449)	\$ 259,974	\$ 182,832	\$ 197,423	\$ (59,688)	\$ 189,557	\$ 285,042	\$ 248,715	\$ 66,943
Total pension liability - beginning	\$ 12,857,252	\$ 13,063,701	\$ 12,803,727	\$ 12,620,895	\$ 12,423,472	\$ 12,483,160	\$ 12,293,603	\$ 12,008,561	\$ 11,759,846	\$ 11,692,903
Total pension liability - ending (a)	\$ 12,912,252	\$ 12,857,252	\$ 13,063,701	\$ 12,803,727	\$ 12,620,895	\$ 12,423,472	\$ 12,483,160	\$ 12,293,603	\$ 12,008,561	\$ 11,759,846
Plan fiduciary net position										
Contributions - employer	\$ 597,823	\$ 537,953	\$ 537,513	\$ 576,724	\$ 616,599	\$ 427,517	\$ 400,094	\$ 424,936	\$ 449,539	\$ 351,545
Contributions - employee	64,075	61,937	63,518	89,102	80,086	64,068	63,163	68,659	74,927	70,449
Net investment income	369,607	(638)	1,412,417	105,034	356,321	397,883	624,791	88,640	255,532	817,553
Benefit payments	(1,059,298)	(1,006,804)	(1,040,529)	(954,360)	(955,216)	(922,336)	(922,456)	(903,887)	(885,765)	(875,670)
Administrative charges	(3,912)	(4,077)	(3,827)	(3,730)	(3,670)	(3,722)	(3,948)	(3,699)	(3,003)	(4,764)
Other	141	141	31	(122)	(224)	(843)	(543)	(40)	(34)	43
Net change in plan fiduciary net position	\$ (31,357)	\$ (411,488)	\$ 969,223	\$ (187,352)	\$ 93,896	\$ (36,933)	\$ 181,101	\$ (325,391)	\$ (109,624)	\$ 355,156
Plan fiduciary net position - beginning	\$ 5,988,562	\$ 6,400,050	\$ 5,430,827	\$ 5,616,179	\$ 5,524,263	\$ 5,361,216	\$ 5,380,115	\$ 5,705,506	\$ 5,815,130	\$ 5,459,974
Plan fiduciary net position - ending (b)	\$ 5,957,205	\$ 5,988,562	\$ 6,400,050	\$ 5,430,827	\$ 5,616,179	\$ 5,324,283	\$ 5,561,216	\$ 5,380,115	\$ 5,705,506	\$ 5,815,130
School Division's net pension liability - ending (a) - (b)	\$ 6,955,247	\$ 6,868,690	\$ 6,663,651	\$ 7,372,900	\$ 7,002,716	\$ 6,899,189	\$ 6,921,944	\$ 6,913,488	\$ 6,303,055	\$ 5,944,716
Plan fiduciary net position as a percentage of the total pension liability	46.13%	46.58%	48.99%	42.42%	44.51%	44.47%	44.55%	43.76%	47.51%	49.45%
Covered payroll	\$ 1,423,581	\$ 1,335,467	\$ 1,318,681	\$ 1,408,522	\$ 1,344,974	\$ 1,297,178	\$ 1,297,374	\$ 1,381,996	\$ 1,436,362	\$ 1,446,420
School Division's net pension liability as a percentage of covered payroll	488.57%	514.33%	505.33%	523.45%	520.66%	531.86%	533.53%	500.25%	438.82%	411.28%

County of Dickenson, 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	\$ 884,519	\$ 884,519	\$ -	\$ 7,212,458	12.26%
2023	780,983	780,983	-	6,397,305	12.21%
2022	644,429	644,429	-	5,807,230	11.10%
2021	605,704	605,704	-	5,405,725	11.20%
2020	491,201	491,201	-	5,344,568	9.19%
2019	462,491	462,491	-	4,960,386	9.32%
2018	472,220	472,220	-	4,931,102	9.58%
2017	468,027	468,027	-	4,853,848	9.64%
2016	524,813	524,813	-	4,961,118	10.58%
2015	593,971	593,971	-	4,900,886	12.12%
Component Unit Public Service Authority					
2024	\$ 83,182	\$ 83,182	\$ -	\$ 693,146	12.00%
2023	77,671	77,671	-	610,868	12.71%
2022	67,945	67,945	-	612,280	11.10%
2021	69,891	69,891	-	623,756	11.20%
2020	55,094	55,094	-	599,457	9.19%
2019	53,809	53,809	-	577,125	9.32%
2018	54,273	54,273	-	566,738	9.58%
2017	52,992	52,992	-	567,935	9.33%
2016	61,715	61,715	-	565,268	10.92%
2015	60,755	60,755	-	558,405	10.88%
Component Unit School Board (nonprofessional)					
2024	\$ 640,278	\$ 640,278	\$ -	\$ 1,527,944	41.90%
2023	597,823	597,823	-	1,423,581	41.99%
2022	540,468	540,468	-	1,335,467	40.47%
2021	530,236	530,236	-	1,318,681	40.21%
2020	574,667	574,667	-	1,408,522	40.80%
2019	538,569	538,569	-	1,344,974	40.04%
2018	427,516	427,516	-	1,297,178	32.96%
2017	426,007	426,007	-	1,297,374	32.84%
2016	424,936	424,936	-	1,381,996	30.75%
2015	449,539	449,539	-	1,436,362	31.30%
Component Unit School Board (professional)					
2024	\$ 1,941,344	\$ 1,941,344	\$ -	\$ 12,098,845	16.05%
2023	1,831,852	1,831,852	-	11,374,262	16.11%
2022	1,693,034	1,693,034	-	10,439,514	16.22%
2021	1,597,561	1,597,561	-	9,841,093	16.23%
2020	1,559,321	1,559,321	-	10,133,506	15.39%
2019	1,471,114	1,471,114	-	9,497,640	15.49%
2018	1,555,617	1,555,617	-	9,590,414	16.22%
2017	1,401,514	1,401,514	-	9,599,056	14.60%
2016	1,490,224	1,490,224	-	10,630,160	14.02%
2015	1,485,000	1,485,000	-	10,002,824	14.85%

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

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

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

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of 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 Dickenson, Virginia
Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios
Component Unit-School Board
Healthcare OPEB Plan
For the Measurements Dates of June 30, 2018 through June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 402,298	\$ 496,121	\$ 545,505	\$ 497,344	\$ 531,562	\$ 481,879	\$ 494,100
Interest	478,347	459,001	229,162	225,998	404,482	418,377	384,114
Effect of Economic/Demographic Gains or Losses	(3,435,121)	-	-	-	-	-	-
Changes in assumptions	(1,164,924)	(113,296)	715,006	36,691	393,632	309,715	(308,384)
Differences between expected and actual experience	-	-	-	-	448,317	-	-
Effect of plan changes	-	-	1,479,650	-	(2,745,118)	-	-
Benefit payments	(593,320)	(624,049)	(505,013)	(345,838)	(311,504)	(712,078)	(731,425)
Net change in total OPEB liability	\$ (4,312,720)	\$ 217,777	\$ 2,464,310	\$ 414,195	\$ (1,278,629)	\$ 497,893	\$ (161,595)
Total OPEB liability - beginning	12,997,105	12,779,328	10,315,018	9,900,823	11,179,452	10,681,559	10,843,154
Total OPEB liability - ending	\$ 8,684,385	\$ 12,997,105	\$ 12,779,328	\$ 10,315,018	\$ 9,900,823	\$ 11,179,452	\$ 10,681,559
Covered-employee payroll	\$ 12,710,816	\$ 11,623,493	\$ 11,623,493	\$ 7,307,586	\$ 7,307,586	\$ 10,804,200	\$ 10,804,200
School's total OPEB liability (asset) as a percentage of covered-employee payroll	68.32%	111.82%	109.94%	141.15%	135.49%	103.47%	98.86%

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

County of Dickenson, Virginia
Notes to Required Supplementary Information - Healthcare OPEB Plan
For the Year Ended June 30, 2024

Valuation Date: 07/01/2023
Measurement Date: 06/30/2024

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
Discount Rate	3.93%
Inflation	2.50%
Retirement Age	The average age at retirement is 62
Healthcare Trend Rates	Starts at .90% for fiscal year 2023, increases to 6.40% in 2024, decreases to 5.60% in 2025 and decreases incrementally to an ultimate rate of 3.90% in 2072.

Mortality Rates:	
Pre-Retirement	Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males. Base rates are shown below. 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 shown below. 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 Teachers Disabled Rates projected generationally; 110% of rates for males and females. Base rates are shown below. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

County of Dickenson, Virginia
Schedule of Employer's Share of Net OPEB Liability
Group Life Insurance (GLI) Plan
For the Measurement Dates of June 30, 2017 through 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)
Component Unit-School Board (nonprofessional)					
2023	0.00610% \$	73,518 \$	1,443,725	5.09%	69.30%
2022	0.00620%	74,172	1,338,936	5.54%	67.21%
2021	0.00640%	74,281	1,318,681	5.63%	67.45%
2020	0.00690%	114,482	1,411,615	8.11%	52.64%
2019	0.00688%	111,956	1,346,471	8.31%	52.00%
2018	0.00683%	104,000	1,298,811	8.01%	51.22%
2017	0.00703%	106,000	1,297,374	8.17%	48.86%
Component Unit-School Board (professional)					
2023	0.04830% \$	579,388 \$	11,380,003	5.09%	69.30%
2022	0.04800%	577,846	10,439,514	5.54%	67.21%
2021	0.04770%	554,892	9,841,093	5.64%	67.45%
2020	0.04920%	821,735	10,133,306	8.11%	52.64%
2019	0.04848%	788,899	9,497,640	8.31%	52.00%
2018	0.05047%	766,000	9,597,490	7.98%	51.22%
2017	0.05223%	786,000	9,634,620	8.16%	48.86%

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

County of Dickenson, 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)
Component Unit-School Board (nonprofessional)					
2024	\$ 8,251	\$ 8,251	\$ -	\$ 1,527,994	0.54%
2023	7,796	7,796	-	1,443,725	0.54%
2022	7,230	7,230	-	1,338,936	0.54%
2021	7,112	7,112	-	1,318,681	0.54%
2020	7,275	7,275	-	1,411,615	0.52%
2019	6,942	6,942	-	1,346,471	0.52%
2018	6,754	6,754	-	1,298,811	0.52%
2017	6,746	6,746	-	1,297,374	0.52%
2016	6,634	6,634	-	1,381,995	0.48%
2015	6,895	6,895	-	1,436,361	0.48%
Component Unit-School Board (professional)					
2024	\$ 65,359	\$ 65,359	\$ -	\$ 12,103,501	0.54%
2023	61,452	61,452	-	11,380,003	0.54%
2022	56,373	56,373	-	10,439,514	0.54%
2021	53,074	53,074	-	9,841,093	0.54%
2020	52,183	52,183	-	10,133,306	0.52%
2019	49,128	49,128	-	9,497,640	0.52%
2018	49,887	49,887	-	9,597,490	0.52%
2017	50,100	50,100	-	9,634,620	0.52%
2016	51,176	51,176	-	10,661,650	0.48%
2015	49,314	49,314	-	10,273,783	0.48%

County of Dickenson, 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

County of Dickenson, 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 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	0.14110%	\$ 1,381,864	\$ 11,374,262	12.15%	17.90%
2022	0.11201%	1,399,057	10,439,514	13.40%	15.08%
2021	0.11125%	1,427,971	9,841,093	14.51%	13.15%
2020	0.11560%	1,507,891	10,133,306	14.88%	9.95%
2019	0.11331%	1,483,338	9,497,640	15.62%	8.97%
2018	0.11863%	1,507,000	9,590,414	15.71%	8.08%
2017	0.12163%	1,543,000	9,599,056	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 Dickenson, Virginia
Schedule of Employer Contributions
Teacher Employee 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)
Component Unit-School Board (professional)					
2024	\$ 146,396	\$ 146,396	\$ -	\$ 12,098,845	1.21%
2023	137,629	137,629	-	11,374,262	1.21%
2022	126,318	126,318	-	10,439,514	1.21%
2021	119,166	119,166	-	9,841,093	1.21%
2020	120,425	120,425	-	10,133,306	1.19%
2019	113,553	113,553	-	9,497,640	1.20%
2018	117,961	117,961	-	9,590,414	1.23%
2017	106,550	106,550	-	9,599,056	1.11%
2016	112,636	112,636	-	10,626,089	1.06%
2015	108,864	108,864	-	10,270,211	1.06%

County of Dickenson, 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

County of Dickenson, Virginia
Schedule of Changes in the Component Unit School Board's Net OPEB Liability and Related Ratios:
Health Insurance Credit (HIC) Plan
For the Measurement Date of June 30, 2020 through June 30, 2023

	2023	2022	2021	2020
Total HIC OPEB Liability				
Service cost	\$ 1,675	\$ 2,499	\$ 2,656	\$ -
Interest	23,620	23,133	21,630	-
Changes in benefit terms	-	-	-	320,438
Differences between expected and actual experience	(150,884)	(10,005)	-	-
Changes of assumptions	-	12,469	4,988	-
Benefit payments	(21,096)	(19,013)	-	-
Net change in total HIC OPEB liability	\$ (146,685)	\$ 9,083	\$ 29,274	\$ 320,438
Total HIC OPEB Liability - beginning	358,795	349,712	320,438	-
Total HIC OPEB Liability - ending (a)	\$ 212,110	\$ 358,795	\$ 349,712	\$ 320,438
Plan fiduciary net position				
Contributions - employer	\$ 32,601	\$ 23,371	\$ 23,056	\$ -
Net investment income	2,323	(83)	2,982	-
Benefit payments	(21,096)	(19,013)	-	-
Administrator charges	(62)	(51)	(102)	-
Other	5	90	-	-
Net change in plan fiduciary net position	\$ 13,771	\$ 4,314	\$ 25,936	\$ -
Plan fiduciary net position - beginning	30,250	25,936	-	-
Plan fiduciary net position - ending (b)	\$ 44,021	\$ 30,250	\$ 25,936	\$ -
Component Unit School Board's net HIC OPEB liability - ending (a) - (b)	\$ 168,089	\$ 328,545	\$ 323,776	\$ 348,524
Plan fiduciary net position as a percentage of the total HIC OPEB liability	6.492%	1.202%	7.416%	-
Covered payroll	\$ 1,423,581	\$ 1,335,467	\$ 1,265,543	\$ -
Component Unit School Board's net HIC OPEB liability as a percentage of covered payroll	14.900%	26.867%	27.633%	-

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

County of Dickenson, Virginia
Schedule of Employer Contributions
Health Insurance Credit (HIC) Plan
For the Years Ended June 30, 2021 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)
2024	\$ 34,991	\$ 34,991	\$ -	\$ 1,527,994	2.29%
2023	32,600	32,600	-	1,423,581	2.29%
2022	23,371	23,371	-	1,335,467	1.75%
2021	22,147	22,147	-	1,265,543	1.75%

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

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

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

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

Non-Largest Ten Locality Employers - General Employees

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

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

	Custodial Funds						Dickenson County	
	Special Welfare	Town of Clinchco	Town of Clintwood	Town of Haysi	Fringe Benefits	Behavioral Health Services	EQT Funds	Total
ASSETS								
Cash and cash equivalents	\$ 274,299	\$ 3,901	\$ 53,287	\$ 8,533	\$ 156,002	\$ 2,877,771	\$ 1,010	\$ 3,374,803
Receivables:								
Due from other governments	-	-	-	-	-	322,083	-	322,083
Total assets	\$ 274,299	\$ 3,901	\$ 53,287	\$ 8,533	\$ 156,002	\$ 3,199,854	\$ 1,010	\$ 3,696,886
NET POSITION								
Restricted:								
Special Welfare	\$ 274,299	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 274,299
Town of Clincho	-	3,901	-	-	-	-	-	3,901
Town of Clintwood	-	-	53,287	-	-	-	-	53,287
Town of Haysi	-	-	-	8,533	-	-	-	8,533
Fringe Benefits	-	-	-	-	156,002	-	-	156,002
Dickenson County Behavioral Health Services	-	-	-	-	-	3,199,854	-	3,199,854
EQT Funds	-	-	-	-	-	-	1,010	1,010
Total net position	\$ 274,299	\$ 3,901	\$ 53,287	\$ 8,533	\$ 156,002	\$ 3,199,854	\$ 1,010	\$ 3,696,886

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

	Special Welfare	Town of Clinchco	Town of Clintwood	Town of Haysi	Fringe Benefits	Dickenson County Behavioral Health Services	EQT Funds	Total
ADDITIONS								
Contributions:								
Expenditure reimbursement	\$ 289,301	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 289,301
Tax collections	-	18,141	153,919	36,837	-	-	-	208,897
Receipts from other governments	-	-	-	-	-	1,169,129	-	1,169,129
VSRS withholdings	-	-	-	-	1,993,294	-	-	1,993,294
Patient service revenue	-	-	-	-	-	6,581,950	-	6,581,950
Total contributions	<u>\$ 289,301</u>	<u>\$ 18,141</u>	<u>\$ 153,919</u>	<u>\$ 36,837</u>	<u>\$ 1,993,294</u>	<u>\$ 7,751,079</u>	<u>\$ -</u>	<u>\$ 10,242,571</u>
DEDUCTIONS:								
Special welfare payments	\$ 227,601	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 227,601
DCBHS payments	-	-	-	-	-	6,500,911	-	6,500,911
VSRS payments	-	-	-	-	1,923,619	-	-	1,923,619
Payments of sales tax to other governments	-	17,774	129,572	36,870	-	-	-	184,216
Total deductions	<u>\$ 227,601</u>	<u>\$ 17,774</u>	<u>\$ 129,572</u>	<u>\$ 36,870</u>	<u>\$ 1,923,619</u>	<u>\$ 6,500,911</u>	<u>\$ -</u>	<u>\$ 8,836,347</u>
Net increase (decrease) in fiduciary net position	\$ 61,700	\$ 367	\$ 24,347	\$ (33)	\$ 69,675	\$ 1,250,168	\$ -	\$ 1,406,224
Net position, beginning	212,599	3,534	28,940	8,566	86,327	1,949,686	1,010	2,290,662
Net position, ending	<u>\$ 274,299</u>	<u>\$ 3,901</u>	<u>\$ 53,287</u>	<u>\$ 8,533</u>	<u>\$ 156,002</u>	<u>\$ 3,199,854</u>	<u>\$ 1,010</u>	<u>\$ 3,696,886</u>

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

	School Operating Fund	School CIP Fund	School Activity Fund	Total
ASSETS				
Cash and cash equivalents	\$ 6,219,656	\$ 2,323,551	\$ 142,101	\$ 8,685,308
Receivables (net of allowance for uncollectibles):				
Accounts receivable	6,990	-	-	6,990
Due from other governmental units	2,101,747	-	-	2,101,747
Prepaid items	227,356	-	-	227,356
Total assets	<u>\$ 8,555,749</u>	<u>\$ 2,323,551</u>	<u>\$ 142,101</u>	<u>\$ 11,021,401</u>
LIABILITIES				
Accounts payable	\$ 1,805,096	\$ 1,022,004	\$ -	\$ 2,827,100
Accrued liabilities	1,433,950	-	-	1,433,950
Unearned revenue	1,111,629	-	-	1,111,629
Total liabilities	<u>\$ 4,350,675</u>	<u>\$ 1,022,004</u>	<u>\$ -</u>	<u>\$ 5,372,679</u>
FUND BALANCES				
Nonspendable:				
Prepaid items	\$ 227,356	\$ -	\$ -	\$ 227,356
Restricted:				
School construction	774,866	1,301,547	-	2,076,413
School activity fund	-	-	142,101	142,101
Unassigned	3,202,852	-	-	3,202,852
Total fund balances	<u>\$ 4,205,074</u>	<u>\$ 1,301,547</u>	<u>\$ 142,101</u>	<u>\$ 5,648,722</u>
Total liabilities and fund balances	<u>\$ 8,555,749</u>	<u>\$ 2,323,551</u>	<u>\$ 142,101</u>	<u>\$ 11,021,401</u>
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:				
Total fund balances per above			\$ 5,648,722	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				
Capital assets, not being depreciated/amortized			\$ 35,495,560	
Capital assets, net of accumulated depreciation/amortization			<u>51,496,894</u>	86,992,454
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.				
Pension related items			\$ 4,501,494	
OPEB related items			<u>1,857,184</u>	6,358,678
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.				
Net pension liability			\$ (18,684,658)	
Compensated absences			(980,857)	
Net OPEB liabilities			<u>(10,887,244)</u>	(30,552,759)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.				
Pension related items			\$ (1,625,015)	
OPEB related items			<u>(4,179,923)</u>	(5,804,938)
Net position of governmental activities			<u>\$ 62,642,157</u>	

County of Dickenson, 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 CIP Fund	School Activity Fund*	Total
REVENUES				
Charges for services	\$ 43,480	\$ -	\$ 138,804	\$ 182,284
Miscellaneous	465,210	-	-	465,210
Intergovernmental:				
Local government	5,543,065	400,000	-	5,943,065
Commonwealth	22,200,077	-	-	22,200,077
Federal	6,059,964	377,995	-	6,437,959
Total revenues	<u>\$ 34,311,796</u>	<u>\$ 777,995</u>	<u>\$ 138,804</u>	<u>\$ 35,228,595</u>
EXPENDITURES				
Current:				
Education	\$ 36,195,547	\$ -	\$ 199,954	\$ 36,395,501
Capital projects	-	1,352,575	-	1,352,575
Total expenditures	<u>\$ 36,195,547</u>	<u>\$ 1,352,575</u>	<u>\$ 199,954</u>	<u>\$ 37,748,076</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (1,883,751)	\$ (574,580)	\$ (61,150)	\$ (2,519,481)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 4,523	\$ -	\$ 42,502	\$ 47,025
Transfers out	(42,502)	-	(4,523)	(47,025)
Total other financing sources (uses)	<u>\$ (37,979)</u>	<u>\$ -</u>	<u>\$ 37,979</u>	<u>\$ -</u>
Net change in fund balances	\$ (1,921,730)	\$ (574,580)	\$ (23,171)	\$ (2,519,481)
Fund balances - beginning, as previously reported	6,126,804	1,876,127	632,768	8,635,699
Restatements	-	-	(467,496)	(467,496)
Fund balances - beginning, as restated	<u>\$ 6,126,804</u>	<u>\$ 1,876,127</u>	<u>\$ 165,272</u>	<u>\$ 8,168,203</u>
Fund balances - ending	<u>\$ 4,205,074</u>	<u>\$ 1,301,547</u>	<u>\$ 142,101</u>	<u>\$ 5,648,722</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	\$ (2,519,481)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	
Capital outlays	\$ 6,599,372
Depreciation expense	<u>(1,968,342)</u>
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	171,124
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 pension related items	\$ 1,073,476
Change in OPEB related items	345,679
Change in compensated absences	<u>45,732</u>
Change in net position of governmental activities	<u>\$ 3,747,560</u>

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

County of Dickenson, 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 (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ 45,000	\$ 45,000	\$ 43,480	\$ (1,520)
Miscellaneous	368,900	368,900	465,210	96,310
Intergovernmental:				
Local government	6,913,875	6,913,875	5,543,065	(1,370,810)
Commonwealth	23,552,235	23,552,235	22,200,077	(1,352,158)
Federal	7,272,654	7,272,654	6,059,964	(1,212,690)
Total revenues	<u>\$ 38,152,664</u>	<u>\$ 38,152,664</u>	<u>\$ 34,311,796</u>	<u>\$ (3,840,868)</u>
EXPENDITURES				
Current:				
Education	\$ 36,218,276	\$ 36,218,276	\$ 36,195,547	\$ 22,729
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,934,388</u>	<u>\$ 1,934,388</u>	<u>\$ (1,883,751)</u>	<u>\$ (3,818,139)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 4,523	\$ 4,523
Transfers out	-	-	(42,502)	(42,502)
Total other financing sources and uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (37,979)</u>	<u>\$ (37,979)</u>
Net change in fund balances	\$ 1,934,388	\$ 1,934,388	\$ (1,921,730)	\$ (3,856,118)
Fund balances - beginning	(1,934,388)	(1,934,388)	6,126,804	8,061,192
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,205,074</u>	<u>\$ 4,205,074</u>

Table 1

County of Dickenson, Virginia
Government-wide Expenses by Function
Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (1)	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Total
2023-24	\$ 2,644,835	\$ 2,068,446	\$ 6,397,279	\$ 4,116,206	\$ 7,905,094	\$ 6,063,377	\$ 639,841	\$ 4,420,192	\$ 197,292	\$ 34,452,562
2022-23	2,482,437	1,919,735	6,158,450	2,407,885	8,267,791	5,699,567	584,835	4,992,145	293,851	32,806,696
2021-22	731,377	1,849,882	5,277,889	2,730,211	7,834,374	5,220,429	(74,170)	5,612,648	186,599	29,369,239
2020-21	1,864,225	1,893,402	5,217,532	3,731,964	6,896,991	6,896,548	526,476	3,531,076	639,569	31,197,783
2019-20	2,594,258	1,667,814	5,795,499	3,840,409	6,943,896	7,702,559	556,784	4,029,435	371,553	33,502,207
2018-19	1,681,546	1,462,797	4,616,342	5,003,175	6,789,722	6,596,252	285,429	3,132,775	529,741	30,097,779
2017-18	1,882,827	1,602,350	5,352,066	2,921,758	6,667,006	7,687,931	276,657	3,483,452	365,201	30,239,248
2016-17	1,889,360	1,846,897	4,816,537	2,344,066	6,696,701	35,018,973	211,727	4,249,320	858,317	57,931,898
2015-16	1,447,189	994,021	3,855,643	2,211,993	6,481,617	26,120,875	211,823	8,974,110	1,703,899	52,001,170
2014-15	1,598,909	492,729	3,819,908	1,603,292	7,263,106	28,868,548	84,497	5,420,583	1,829,169	50,980,741

(1) Includes the transfer of capital assets for which the underlying debt has been repaid during 2015 and 2016.

Table 2

County of Dickenson, Virginia
Government-wide Revenues
Last Ten Fiscal Years

Fiscal Year	PROGRAM REVENUES			GENERAL REVENUES						
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	Special Items	Total
2023-24	\$ 474,126	\$ 9,844,097	\$ 199,555	\$ 15,286,228	\$ 13,174,548	\$ 351,344	\$ 1,348,138	\$ 2,064,576	\$ -	\$ 42,742,612
2022-23	398,193	10,393,677	581,381	11,062,458	16,114,113	87,562	336,278	2,010,500	-	40,984,162
2021-22	373,933	8,970,229	776,114	10,940,207	17,865,691	(125,223)	1,471,347	1,426,006	-	41,698,304
2020-21	397,428	10,026,653	864,348	10,958,426	7,329,656	7,253	236,887	1,403,066	-	31,223,717
2019-20	328,981	7,817,479	2,728,055	11,185,408	7,538,067	17,486	146,498	1,497,938	-	31,259,912
2018-19	338,083	7,313,123	1,433,064	11,299,433	9,750,444	21,464	37,065	1,452,230	-	31,644,906
2017-18	330,742	8,040,353	1,961,194	11,195,519	9,769,574	7,307	554,458	1,398,973	-	33,258,120
2016-17	526,988	7,130,074	35,345,442	12,677,750	9,285,792	7,390	36,462	1,488,617	153,799	66,652,314
2105-16	519,966	6,872,593	18,455,204	11,937,747	6,274,918	4,218	270,439	1,562,224	-	45,897,309
2014-15	622,693	7,450,931	607,116	12,667,960	7,875,794	4,241	880,143	1,521,625	-	31,630,503

Table 3

County of Dickenson, 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	Nondepartmental	Capital Projects	Debt Service	Total
2023-24	\$ 2,721,917	\$ 1,809,151	\$ 6,501,810	\$ 3,917,687	\$ 7,833,995	\$ 36,471,069	\$ 547,633	\$ 4,405,907	\$ 307,584	\$ 1,355,839	\$ 1,899,756	\$ 67,772,348
2022-23	2,211,738	1,659,595	6,151,328	2,924,383	8,269,062	34,622,365	502,684	4,980,502	423,598	7,160,403	1,880,997	70,786,655
2021-22	1,879,228	1,620,229	5,626,556	2,671,595	7,250,223	31,031,247	492,127	5,622,069	231,441	13,816,855	2,117,517	72,359,087
2020-21	1,982,131	1,531,170	5,146,351	3,567,411	7,193,866	27,961,148	459,896	3,468,466	1,801,034	3,158,422	2,661,930	58,931,825
2019-20	1,964,934	1,505,108	5,354,194	3,585,155	7,431,325	25,820,149	490,924	3,635,646	164,714	842,650	2,544,266	53,339,065
2018-19	1,690,845	1,299,559	4,572,319	4,974,139	7,324,455	25,650,202	222,652	3,134,672	193,153	350,119	3,009,552	52,421,667
2017-18	1,921,533	1,356,334	5,363,666	2,919,903	7,134,052	23,489,065	213,429	3,488,742	124,180	507,440	2,693,496	49,211,840
2016-17	1,925,915	1,287,107	4,804,937	2,253,275	6,802,450	24,093,852	146,594	4,242,373	-	1,452,957	28,651,475	75,660,935
2015-16	1,465,556	1,015,153	4,228,678	2,149,697	6,689,813	24,596,740	185,091	9,028,587	-	14,459,765	18,033,028	81,852,108
2014-15	1,703,249	3,853,976	4,056,384	2,019,276	6,583,461	24,715,042	172,611	5,133,192	-	19,928,691	2,789,575	70,955,457

(1) Includes General, Special Revenue, and Capital Project funds of the Primary Government and its Discretely Presented Component Units.

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

Table 4

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

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous & Recovered Costs	Inter-governmental (2)	Total
2023-24	\$ 11,696,742	\$ 13,174,548	\$ 8,371	\$ 87,845	\$ 351,344	\$ 560,194	\$ 1,724,406	\$ 41,148,221	\$ 68,751,671
2022-23	11,202,672	16,114,113	16,525	50,705	87,562	1,234,844	2,990,316	47,874,229	79,570,966
2021-22	10,747,522	17,865,691	9,905	45,622	(125,223)	1,138,513	3,588,749	49,989,180	83,259,959
2020-21	11,193,653	7,329,656	9,427	54,786	8,810	745,777	2,752,205	41,409,536	63,503,850
2019-20	11,226,319	7,538,067	9,243	28,736	17,486	402,585	1,165,770	31,508,760	51,896,966
2018-19	11,510,072	9,750,444	9,774	52,429	21,464	465,472	1,186,333	28,885,741	51,881,729
2017-18	12,774,948	9,769,574	12,111	49,822	7,307	527,714	1,505,093	28,829,494	53,476,063
2016-17	12,500,553	9,285,792	8,448	119,047	7,390	699,219	1,118,209	61,365,427	85,104,085
2015-16	10,394,299	6,274,918	10,893	43,014	4,218	775,992	1,330,307	43,843,934	62,677,575
2014-15	13,342,236	7,875,794	9,951	38,973	4,241	883,221	1,614,878	26,416,565	50,185,859

(1) Includes General, Special Revenue, and Capital Project funds of the Primary Government and its Discretely Presented Component Units.

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

Table 5

County of Dickenson, 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	\$ 14,938,204	\$ 11,984,638	80.23%	\$ 344,936	\$ 12,329,574	82.54%	\$ 6,299,225	42.17%
2022-23	12,177,583	10,573,089	86.82%	1,217,966	11,791,055	96.83%	1,902,501	15.62%
2021-22	12,018,158	10,279,286	85.53%	1,043,374	11,322,660	94.21%	2,079,145	17.30%
2020-21	11,636,401	11,312,793	97.22%	456,633	11,769,426	101.14%	2,122,186	18.24%
2019-20	11,779,824	11,286,783	95.81%	467,122	11,753,905	99.78%	2,259,291	19.18%
2018-19	11,867,996	11,639,946	98.08%	449,534	12,089,480	101.87%	2,363,137	19.91%
2017-18	12,635,546	10,232,802	80.98%	2,865,325	13,098,127	103.66%	2,466,700	19.52%
2016-17	13,280,074	11,811,566	88.94%	402,294	12,213,860	91.97%	4,002,856	30.14%
2015-16	12,567,077	10,423,096	82.94%	415,937	10,839,033	86.25%	3,812,167	30.33%
2014-15	13,160,900	12,896,358	97.99%	827,972	13,724,330	104.28%	2,462,240	18.71%

(1) Exclusive of penalties and interest.

Table 6

County of Dickenson, 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
					Real Estate	Public Utility	Personal Property	
2023-24	\$ 1,593,963,500	\$ 163,091,298	\$ 76,884,812	\$ 1,385,330	\$ 105,739,555	\$	\$ 54,001	\$ 1,941,118,496
2022-23	1,190,092,617	137,841,520	102,600,829	1,503,802	125,860,072		1,992,025	1,559,890,865
2021-22	1,228,813,089	137,555,021	84,732,962	1,338,272	125,946,456		67,759	1,578,453,559
2020-21	1,250,954,053	116,694,203	81,288,972	899,434	121,847,471		98,119	1,571,782,252
2019-20	1,274,999,676	122,431,888	75,983,735	884,919	118,874,514		160,485	1,593,335,217
2018-19	1,292,292,300	129,819,711	70,528,717	920,143	109,580,306		224,086	1,603,365,263
2017-18	1,341,835,375	131,507,513	98,253,636	775,076	103,162,284		162,011	1,675,695,895
2016-17	1,364,073,644	136,088,656	151,109,249	774,644	107,045,402		191,687	1,759,283,282
2015-16	1,377,223,700	134,806,776	96,449,867	807,876	116,712,808		238,089	1,726,239,116
2014-15	1,390,386,000	138,302,847	122,746,615	745,341	113,807,768		264,543	1,766,253,114

(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 Dickenson, Virginia
Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Year	Real Estate	Mobile Homes	Personal Property (2)	Public Service Corporations		Machinery and Tools (2)	Merchant's Capital
				Real Estate	Personal Property (2)		
2023-24	\$	0.52		0.52	1.85	1.85	10.50
2022-23		0.60		0.60	1.85	1.85	10.50
2021-22		0.60		0.60	1.85	1.85	10.50
2020-21		0.60		0.60	1.85	1.85	10.50
2019-20		0.60		0.60	1.85	1.85	10.50
2018-19		0.60		0.60	1.85	1.85	10.50
2017-18		0.56		0.56	1.82	1.82	10.50
2016-17		0.56		0.56	1.82	1.82	10.50
2015-16		0.56		0.56	1.82	1.82	10.50
2014-15		0.56		0.56	1.82	1.82	10.50

(1) Per \$100 of assessed value.

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

Table 8

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

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross Bonded Debt (3)	Net Bonded Debt	Ratio of	
					Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2023-24	15,903	\$ 1,941,118	\$ 12,182,595	\$ 12,182,595	0.63%	\$ 766
2022-23	15,903	1,559,891	13,055,411	13,055,411	0.84%	821
2021-22	15,903	1,578,453	13,934,302	13,934,302	0.88%	876
2020-21	15,903	1,571,782	15,067,071	15,067,071	0.96%	947
2019-20	15,903	1,593,335	15,789,087	15,789,087	0.99%	993
2018-19	15,903	1,603,365	16,885,200	16,885,200	1.05%	1,062
2017-18	15,903	1,675,696	18,119,935	18,119,935	1.08%	1,139
2016-17	15,903	1,759,283	17,957,407	17,957,407	1.02%	1,129
2015-16	15,903	1,726,239	44,313,634	44,313,634	2.57%	2,786
2014-15	15,903	1,766,253	51,282,301	51,282,301	2.90%	3,225

(1) Bureau of the Census.

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

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

Table 9

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

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2023-24	\$ 1,160,214	\$ 739,542	\$ 1,899,756	\$ 67,772,348	2.80%
2022-23	1,118,163	762,834	1,880,997	70,786,655	2.66%
2021-22	1,359,931	757,586	2,117,517	72,359,087	2.93%
2020-21	1,648,441	770,931	2,419,372	58,931,825	4.11%
2019-20	1,745,503	798,763	2,544,266	53,339,065	4.77%
2018-19	2,075,584	933,968	3,009,552	52,421,667	5.74%
2017-18	1,923,864	769,632	2,693,496	49,211,840	5.47%
2016-17	27,661,723	989,752	28,651,475	75,660,935	37.87%
2015-16	16,312,703	1,720,325	18,033,028	81,852,108	22.03%
2014-15	952,545	1,837,030	2,789,575	70,955,457	3.93%

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



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Dickenson, 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 Dickenson, Virginia's basic financial statements and have issued our report thereon dated November 29, 2024, modified due to the qualified opinion on the School Activity Fund financial statements, which is included as a Fund of the Discretely Presented Component Unit School Board and due to the exclusion of the of the Industrial Development Authority a discretely presented component unit of the County.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Dickenson, 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 Dickenson, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Dickenson, 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 certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

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



Blacksburg, Virginia

November 29, 2024



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited County of Dickenson, Virginia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of County of Dickenson, Virginia's major federal programs for the year ended June 30, 2024. County of Dickenson, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on County of Dickenson, Virginia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the

override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about County of Dickenson, Virginia's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding County of Dickenson, Virginia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of County of Dickenson, Virginia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of County of Dickenson, 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, Jarmon, Cox, Associates
Blacksburg, Virginia
November 29, 2024

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

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass Through Payments:			
Virginia Department of Social Services:			
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760123 0760124	\$ 73,006
Guardianship Assistance	93.090	1110123 1110124	506
Title IV-E Kinship Navigator Program	93.471	Unknown	92,954
Title IV-E Prevention Program	93.472	1140123 1140124	7,192
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950122 0950123	21,363
Refugee and Entrant Assistance - State/Replacement Designee Administered Programs	93.566	0500123 0500124	1,350
Low-Income Home Energy Assistance	93.568	0600423 0600424	69,685
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900122 0900123	352
Foster Care Title IV-E	93.658	1100123 1100124	224,927
Adoption Assistance	93.659	112012 1120124	713,163
Social Services Block Grant	93.667	1000123 1000124	335,835
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150122 9150123	5,592
Elder Abuse Prevention Interventions Program	93.747	8000221	575
Children's Health Insurance Program	93.767	0540123 0540124	6,144
Medicaid Cluster:			
Medical Assistance Program	93.778	1200123 1200124	539,416
Temporary Assistance for Needy Families (TANF)	93.558	0400123 0400124	300,716
Total Department of Health and Human Service			<u>\$ 2,392,776</u>
Department of Agriculture:			
Pass Through Payments:			
Virginia Department of Education:			
Forest Service Schools and Roads Cluster:			
Schools and Roads - Grants to States	10.665	APE438410000	\$ 12,306
COVID-19 - Pandemic EBT Administrative Costs	10.649	DOE865560000	3,256
Team Nutrition Grants	10.574	APE600720000	350
Child and Adult Care Food Program	10.558	APE700270000; APE700280000	53,419
Child Nutrition Cluster:			
Fresh Fruit and Vegetable Program	10.582	APE402520000	\$ 64,412
School Breakfast Program	10.553	APE402530000	468,925
Summer Food Service Program for Children	10.559	60302/60303	\$ 25,297
Summer Food Service Program for Children (SFSPC) (Food Commodities)	10.559	APE603020000; APE603030000	2,646
National School Lunch Program	10.555	APE402540000; APE411080000	\$ 952,753
Department of Agriculture:			
Food Distribution (Food Commodities)	10.555	Unknown	98,377
Virginia Department of Social Services:			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	10121/10122/40121/40122	686,065
Total Department of Agriculture			<u>\$ 2,367,806</u>
Department of Housing and Urban Development:			
Pass Through Payments:			
Virginia Department of Housing and Community Development:			
Community Development Block Grants / State's Program and Non-Entitlement Grants in Hawaii	14.228	50790	\$ 159,199
Department of Justice:			
Pass Through Payments:			
Office for Victims of Crime:			
Crime Victim Assistance	16.575	15POVC22GG00681ASSI/15POVC21 GG00602ASSI/2020V2GX0048	\$ 33,415
Edward Byrne memorial Justice Assistance Grant	16.738	15PBJA23GG03038MUMU/15PBJA2 2GG00616MUMU	4,216
Total Department of Justice			<u>\$ 37,631</u>
Department of Transportation:			
Pass Through Payments:			
Virginia Department of Motor Vehicles:			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	BOP-2024-54088-24088/BOP-2023- 53169-23169	\$ 3,721
Alcohol Open Container Requirements	20.607	ENF_AL-2024-54085-24085/ENF_AL- 2023-53074-23074	20,892
Total Department of Transportation			<u>\$ 24,613</u>

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

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of the Treasury			
Direct payments:			
Local Assistance and Tribal Consistency Fund	21.032	Not applicable	68,427
Pass Through Payments:			
Department of Education:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	APE600540000	\$ 253,198
Virginia Department of Social Services:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown	15,625
Virginia Department of Criminal Justice:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown	352,636
Total Department of the Treasury			<u>\$ 621,459</u>
			<u>\$ 689,886</u>
Department of Education:			
Pass Through Payments:			
Department of Education:			
Title I Grants to Local Educational Agencies	84.010	APE429010000	\$ 860,637
Special Education Cluster:			
Special Education Grants to States	84.027	APE402870000; APE430710000	\$ 772,213
Special Education Preschool Grants	84.173	APE625210000; APE402860000	36,061
Career and Technical Education - Basic Grants to States	84.048	APE600310000; APE600311005	57,868
Rural Education	84.358	APE434810000	59,569
Supporting Effective Instruction State Grants	84.367	APE614800000	110,766
Student Support and Academic Enrichment Program	84.424	APE600220000; APE601550000	283,617
Education Stabilization Fund:			
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	APE501950000	\$ 251,397
COVID-19 - American Rescue Plan - Elementary and Secondary School		APE501930000; APE411120000;	
Emergency Relief Fund	84.425U	APE501830000	1,692,018
Total Department of Education			<u>\$ 1,943,415</u>
			<u>\$ 4,124,146</u>
Department of Homeland Security:			
Pass Through Payments:			
Virginia Department of Emergency Management:			
Emergency Management Performance Grants	97.042	EMP-2021-EP-0004	\$ 5,625
Homeland Security Grant Program	97.067	Unknown	62,393
Total Department of Homeland Security			<u>\$ 68,018</u>
Total Expenditures of Federal Awards			<u>\$ 9,864,075</u>
Note 1 -- Basis of Presentation			
The accompanying schedule of expenditures of federal awards includes the federal award activity of County of Dickenson, Virginia and its Component Unit-School Board 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 the Office of Management and Budgets Uniform Guidance. Because the schedule presents only a selected portion of the operations of the County of Dickenson, Virginia and its Component Unit-School Board, it is not intended to and does not present the financial position, changes in net position, or cash flows of County of Dickenson, Virginia or its Component Unit-School Board.			
Note 2 -- Summary of Significant Accounting Policies			
(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.			
(2) Pass-through entity identifying numbers are presented where available.			
(3) The County did not elect the 10% de minimus indirect cost rate because they only request direct costs for reimbursement.			
Note 3 -- Food Donation			
Nonmonetary assistance is reported in the schedule at the fair market value of commodities received and disbursed.			
Note 4 -- Outstanding Balance of Federal Loans			
The County did not have any loans or loan guarantees which are subject to reporting requirements for the current year.			
Note 5 -- Donated Personal Protective Equipment (PPE) "unaudited":			
The County did not receive any donated items during the year.			
Note 6 -- Subrecipients			
The County did not have any subrecipients for the year ended June 30, 2024.			
Note 7 -- Relationship to the Financial Statements			
Federal expenditures, revenues and capital contributions are reported in the County's basic financial statements as follows:			
Intergovernmental revenues per the basic financial statements:			
Primary government:			
General Fund			\$ 12,108,228
Less: Revenue from the Commonwealth			(8,205,695)
Less: Payments in lieu of taxes			(57,187)
Less: Corps of Engineers Funds Not Subject to Single Audit Requirements			(40,356)
Total primary government			<u>\$ 3,804,990</u>
Component Unit School Board:			
School Operating Fund			\$ 6,059,964
Less: Payments in lieu of taxes			(879)
School CIP Fund			377,995
Less: Corps of Engineers Funds Not Subject to Single Audit Requirements			(377,995)
Total Component Unit School Board			<u>\$ 6,059,085</u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards			<u>\$ 9,864,075</u>

County of Dickenson, 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: Governmental activities, discretely presented component unit - PSA, each major fund and aggregate remaining fund information.
Qualified: Discretely presented component units - School Board and Industrial Development Authority

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:

Federal Assistance Listing #	Name of Federal Program or Cluster
10.561	SNAP Cluster
84.027/84.173	Special Education Cluster
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
84.425	Education Stabilization Fund
93.558	Temporary Assistance to Needy Families

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

Auditee qualified as low-risk auditee? No

Section II - Financial Statement Findings

2024-001	Material Weakness
Criteria:	An auditee should have sufficient expertise in the selection and application of accounting principles used in the preparation of the annual financial report. In addition, the auditee should have sufficient internal controls over the preparation of financial statements in accordance with generally accepted accounting principles.
Condition:	The County's 2024 adjusted trial balance as presented for audit required significant adjusting entries.
Cause:	The County failed to identify all year end accounting adjustments necessary for the financial statements to be prepared in accordance with current reporting standards. The County does not have proper controls in place to detect and correct
Effect:	There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected by the County's internal controls over financial reporting.
Recommendation:	Management should continue to implement and follow review procedures to make adjustments in a timely manner.
Management's Response:	Management will make efforts in the future to eliminate material misstatements from its adjusted trial balances presented for audit purposes.

County of Dickenson, Virginia
Schedule of Findings and Questioned Costs (continued)
For the Year Ended June 30, 2024

Section II - Financial Statement Findings (continued)

2024-002	Material Weakness
Criteria:	The Treasurer's Accountability fund should reconcile to each individual fund.
Condition:	The Treasurer's Accountability fund balances do not agree to the individual funds.
Cause:	Transfers and other items are not appropriately posted to both the individual fund and the Treasurer's Accountability fund. Controls should be in place to ensure that a reconciliation is performed to ensure that balances agree.
Effect:	Balances as reported in the individual funds do not agree to same as reported in the Treasurer's Accountability fund.
Recommendation:	Management should work with the software company to ensure that all entries are posting to the individual funds and the Treasurer's Accountability fund. A reconciliation should be prepared and entries posted so that balances agree.
Management's	Management agrees with the finding and will research the discrepancies and post adjustments as needed to ensure that the individual funds and the Treasurer's Accountability fund are reconciled. Management is also working with Bright to ensure that adjustments to prohibit posting to the Treasurer's Accountability Fund directly and to ensure that dual entries are set up appropriately in the system.

Section III - Federal Award Findings and Questioned Costs

There are no federal award findings and questioned costs to report.

County of Dickenson, Virginia
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2024

2023-001

Condition: The County's 2023 adjusted trial balance as presented for audit required significant adjusting entries.

Recommendation: Management should continue to implement and follow review procedures to make adjustments in a timely manner.

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

2023-002

Condition: The Treasurer's Accountability fund balances do not agree to the individual funds.

Recommendation: Transfers and other items are not appropriately posted to both the individual fund and the Treasurer's Accountability fund. Controls should be in place to ensure that a reconciliation is performed to ensure that balances agree.

Current Status: Finding 2023-002 was repeated in the current year as 2024-002.