



# ANNUAL FINANCIAL REPORT

FOR THE PERIOD ENDING JUNE 30, 2025

Prepared by the Department of Finance



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## *INTRODUCTORY SECTION*

**COUNTY OF SURRY, VIRGINIA**

**ANNUAL FINANCIAL REPORT**

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

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ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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**COUNTY OF SURRY, VIRGINIA**  
FOR THE YEAR ENDED JUNE 30, 2025

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**Board of Supervisors**

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Robert Elliott, Jr., Chairperson

Walter Hardy  
Amy Drewry

William T. Calhoun  
Breyon Pierce

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**Social Services Board**

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Eunice Gay, Chairperson

Elva Clayton  
Honorable Walter Hardy  
Eliza Drew

Glenn Slade  
Adaisha Gibson

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**County School Board**

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Roxanne Marr-Shears, Chairperson

Wayne Gholston  
Valencia Jones Williams

Faye C. Perkins  
Sopenhia Pierce

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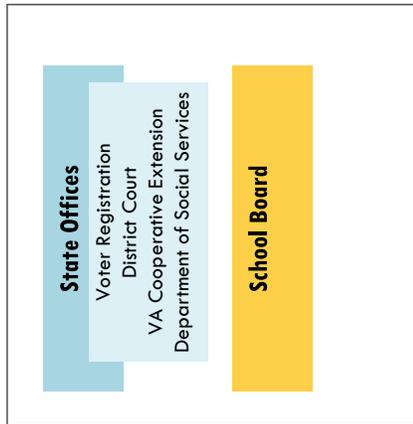
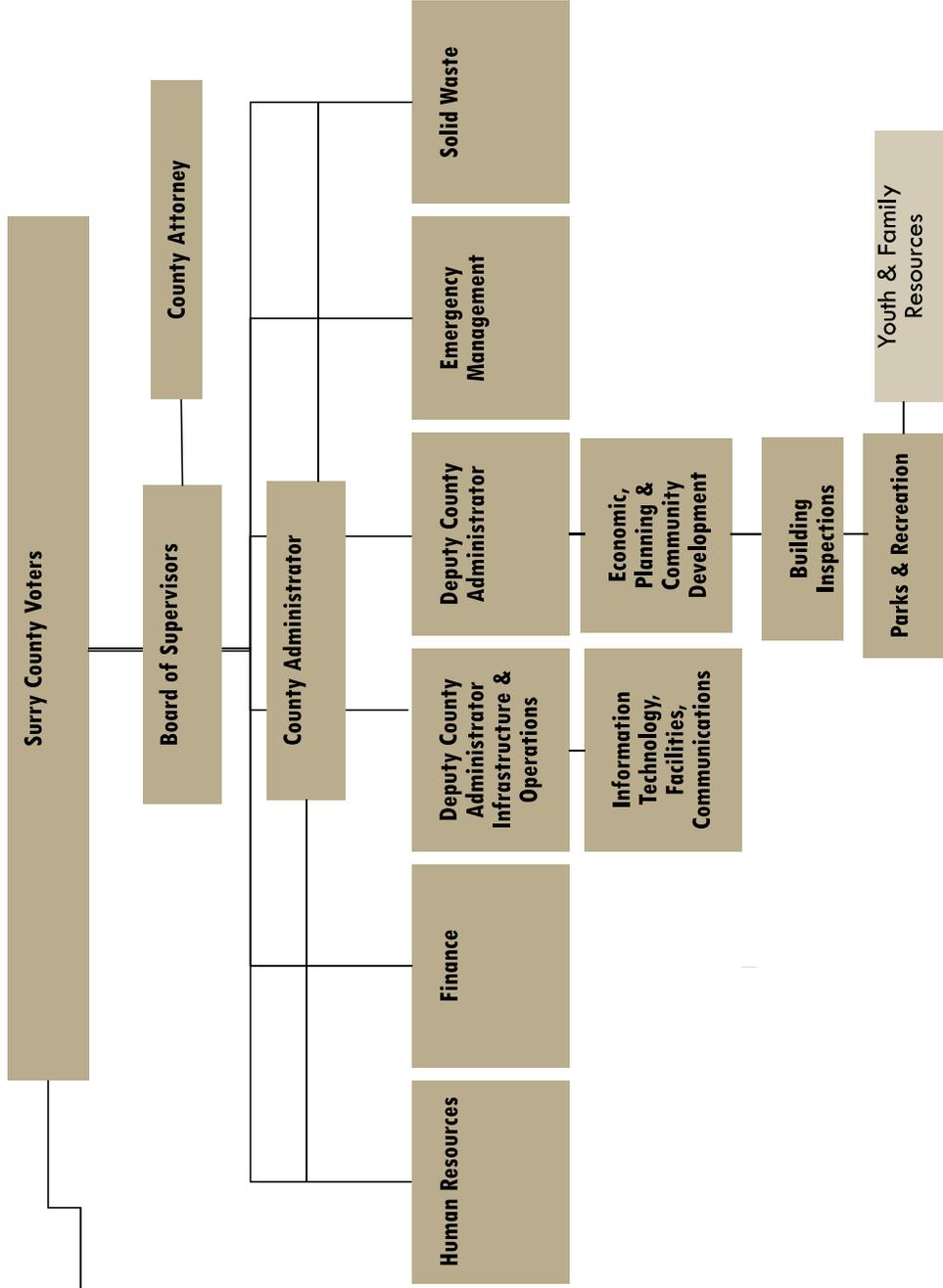
**Other Officials**

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Judge of the Circuit Court  
Clerk of the Circuit Court  
Commonwealth's Attorney  
Commissioner of the Revenue  
Treasurer  
Sheriff  
Superintendent of Schools  
Director of Social Services  
County Administrator  
Judge of the General District Court  
Judge of the Juvenile and Domestic Relations Court  
County Attorney

W. Allan Sharrett  
Gail P. Clayton  
Derek A. Davis  
Jonathan F. Judkins  
Onike Ruffin  
Carlos Turner  
Dr. Herbert Monroe  
Valerie E. Pierce  
Melissa Rollins  
Elbert D. Mumphery  
Jacqueline R. Waymack  
Lola Rodriguez Perkins

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# ORGANIZATION CHART

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# County of Surry

**BOARD OF SUPERVISORS**  
**ROBERT ELLIOTT JR.**  
**BREYON PIERCE**  
**WILLIAM T. CALHOUN**  
**WALTER HARDY**



**COUNTY ADMINISTRATOR**  
**MELISSA D. ROLLINS**

**Founded 1652**

**The Honorable Members of the Board of Supervisors and the Citizens of the County of Surry,  
Virginia**

Members of the Board:

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of Surry County (the "County") for the fiscal year ended June 30, 2025. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a reasonable understanding of the County's financial affairs have been included.

The management of the County is responsible for establishing and maintaining an internal control structure to ensure the protection of County assets. In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

In addition to these internal accounting controls, the County also maintains budgetary controls. These budgetary controls ensure compliance with provisions embodied in the adopted budget appropriated by the Board of Supervisors. All subsidiary funds are included in the appropriated budget.

As a recipient of federal and state financial assistance, the County is also responsible for maintaining internal controls that comply with applicable laws and regulations. The audit for fiscal year ended June 30, 2025 has been completed and no material internal control weaknesses or material violations of laws and regulations have been identified.

The County adopts an annual budget by July 1<sup>st</sup> each year as required by §15.2-2503, *Code of Virginia, 1950, as amended*. When necessary, the Board of Supervisors approves amendments to the adopted

budget in accordance with §15.2-2507, *Code of Virginia, 1950, as amended*. The budget is implemented through Board-approved appropriations, with supplemental appropriations made as required. The Board of Supervisors has the authority, except for expenditures for mandated programs, to appropriate amounts greater than or less than the adopted budget.

Section 15.2-2511 of the *Code of Virginia, 1950, as amended* requires that local governments have their financial records audited annually as of the end of the fiscal year by independent certified public accountants. The independent audit provides reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2025 are free of material misstatement. Robinson, Farmer Cox Associates (RFCA) is contracted to perform this service and have issued an unmodified opinion on the County's financial statements for the fiscal year. The independent auditor's report is located at the front of the Financial Section of this report.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management Discussion & Analysis (MD&A). It can be found immediately following the report of the independent auditors. The MD&A complements this letter of transmittal and should be read in conjunction with it.

### **Profile of the Government and its Services**

Formed in 1652, the County of Surry is strategically located in southeastern Virginia, 10 miles south of Williamsburg, 50 miles southeast of Richmond and 40 miles northwest of Norfolk. The County covers 306 square miles and has a 2024 estimated population of 6,579. The greater portion of the County's land area remains rural, and residential growth has not greatly rebounded from the economic slowdown. The County is governed by a five-member Board of Supervisors elected by districts. The Board has overall administrative and legislative responsibilities including levying taxes, appropriating funds, approving and enforcing the County's Comprehensive Plan, making and enforcing ordinances and establishing policies. The County Administrator is appointed to implement the policy decisions of the Board and to direct the day-to-day activities of the County. In addition to the Board, elected constitutional officers in the County government include the Clerk of Circuit Court, Commissioner of the Revenue, Commonwealth's Attorney, Sheriff and Treasurer. The operation of the public school system is vested in a five-member elected School Board. The Board of Supervisors makes monthly appropriations to the School Board based upon the adopted budget. Since the School Board is fiscally dependent on the County, the financial statements of Surry County Public Schools are included as a component unit of the County in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14.

The County provides a range of municipal services including education, public safety (sheriff, animal control, building inspections, emergency services, volunteer fire departments and paid/volunteer rescue services), parks, recreation & cultural activities, public works, health and welfare administration, planning & community development and general administrative services. In addition, the County provides water services to residential and commercial customers in the Towns of Dendron and Surry. The operation of the utilities systems is an enterprise fund, which means that it should be self-supporting, and is accounted for separately from the County's general operating fund.

## **Local Economy**

The County's unemployment rate increased to 4.0% in June 2025 from its 2024 level of 3.1%. The 2025 rate is consistent with the Virginia rate of 3.5%. These larger employers include a nuclear power plant, state & local government, construction and manufacturing.

Surry County's economy continues to be shaped by its rural character, natural resources, and proximity to major employment centers in the Hampton Roads and Richmond metropolitan areas. Agriculture, forestry, and energy production remain foundational to the local economy, while the County also benefits from tourism, small business development, and access to regional labor markets. The County's workforce participation reflects a strong concentration in the prime working-age population, with approximately 32% of the workforce between the ages of 25 and 44. This demographic strength supports long-term economic vitality and provides opportunities for sustained growth.

Major economic drivers include Dominion Energy's Surry Nuclear Power Plant, which provides significant employment opportunities and a stable source of revenue for the County. Agriculture remains a critical sector, with family farms and agribusiness operations producing soybeans, corn, cotton, and livestock. In addition, the County is positioning itself for economic diversification through investments in infrastructure, broadband expansion, and strategic planning aimed at attracting new businesses and enhancing quality of life.

Tourism also plays a growing role, supported by Surry's rich history, natural beauty, and proximity to Jamestown and Williamsburg. The County's unique assets, such as Chippokes State Park and the James River ferry connection, continue to attract visitors and contribute to the local economy.

Looking forward, the County is committed to fostering an environment that supports economic development, encourages entrepreneurship, and retains young professionals. Strategic initiatives, combined with conservative financial management, are designed to ensure that Surry County remains resilient and well-positioned for future opportunities.

## **Long-Term Financial Planning**

The County employs a financial advisor as necessary to assist in planning for long-term financial and capital needs of the County. The Capital Improvements Plan (CIP) is the County's strategy for investing in facilities, equipment and other sizeable improvements. Current capital projects are funded through a combination of committed fund balance and debt proceeds. Debt service payments are budgeted in the County's annual operating budget, including that of the School Board Component Unit

Financial policies relative to debt as a percentage of assessed value and general fund expenditures help guide the Board's policymaking decisions on financing capital projects. The County has adopted a policy that states that the net debt ratio as a percentage of assessed value shall not exceed 3%. The General fund balance represents available current financial resources, although the Board's policy assigns 25% of the following fiscal year's budgeted General Fund and School Operating budgets, net of transfers, as well as amounts already committed, as unavailable for spending. Uses of the unrestricted fund balance are carefully evaluated to ensure that cash flow requirements are met, and an overall sound financial position is maintained.

### **Multi-Year Initiatives and Capital Projects**

In addition to providing essential services, the County completed several multi-year initiatives and capital projects during fiscal year 2025. These accomplishments included:

- **Continued implementation of the Tyler Munis Enterprise Resource Planning (ERP) system**, improving financial transparency, reporting accuracy, and operational efficiency across County departments.
- **Paving improvements at solid waste convenience sites**, enhancing service delivery, accessibility, and the long-term sustainability of these facilities.
- **Investments in major equipment and infrastructure**, including HVAC replacements and roof repairs, to ensure long-term reliability, cost efficiency, and continued support of public services.
- **Acquisition of a mini-pumper for the Dendron Volunteer Fire Department**, providing enhanced response capabilities for fire incidents and strengthening protection of residents and public assets.
- **Security system upgrades in court facilities and other County buildings**, replacing aging, unsupported systems with modern technology to enhance the safety of judges, staff, and the public.

These initiatives demonstrate the County's commitment to fiscal responsibility, infrastructure renewal, and efficient service delivery. Each investment reflects careful financial planning and a forward-looking approach to supporting the needs of citizens while maintaining a strong financial position.

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Surry County for its Annual Comprehensive Financial Report (ACFR) for the fiscal years 2012 through 2023. This prestigious award is the highest form of recognition in governmental accounting and financial reporting, and it reflects the County's commitment to transparency and high standards in financial management.

Due to the timing of the FY2024 audit, which was extended in part by the implementation of the new Enterprise Resource Planning (ERP) system, the County did not submit its ACFR for award consideration last year. However, we believe that the FY2025 Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and will submit it to the GFOA to determine its eligibility for another certificate. The County continues its commitment to maintaining the same standards of excellence in financial reporting that have been recognized for over a decade.

### **Acknowledgements**

The preparation of this report could not be accomplished without the dedicated services of the Finance Department staff, as well as the Commissioner of the Revenue, Treasurer and their staffs. We would

like to express our appreciation to these departments and to the many other County departments who provided assistance to Robinson, Farmer, Cox Associates in preparation of a favorable financial report. We also give credit to the Board of Supervisors for their support, guidance and establishment of policies that further enhance sound financial management practices and operations.



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Melisa D. Rollins  
County Administrator



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Carol Swindell  
Interim Director of Finance

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*FINANCIAL SECTION*

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## Independent Auditors' Report

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

### Report on the Audit of the Financial Statements

#### *Opinions*

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

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

#### *Basis for Opinions*

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

#### *Changes in Accounting Principles*

As described in Note 21 to the financial statements, in 2025, the County adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

#### *Restatement of Beginning Balances*

As described in Note 22 to the financial statements, in 2025, the County restated beginning balances to reflect the requirements of GASB Statement No. 101. Our opinions are not modified with respect to this matter.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Surry, Virginia's ability to continue as a going

## ***Responsibilities of Management for the Financial Statements (Continued)***

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 Surry, 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 Surry, Virginia's ability to continue as a going concern for a reasonable period of time.

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

## ***Required Supplementary Information***

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

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

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

### ***Supplementary Information***

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

### ***Other Information***

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2025 on our consideration of County of Surry, 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 Surry, 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 Surry, Virginia's internal control over financial reporting and compliance.



Richmond, Virginia  
November 26, 2025

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**Surry County, Virginia**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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As management of the County of Surry, Virginia we offer readers of the County's financial statements this overview and analysis of the County's financial activities for the fiscal year ended June 30, 2025. Readers are encouraged to consider this information in conjunction with that in the letter of transmittal.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's financial statements. The County's basic financial statements consist of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide statements report information about the County using accounting methods similar to those used by private sector companies (as required under governmental reporting, GASB Statement No. 34). Government wide financial statements consist of the *Statement of Net Position* and the *Statement of Activities*, which include all the government's assets, deferred outflows, liabilities, deferred inflows, revenues and expenses using the accrual basis of accounting. All of the current year's transactions are taken into account regardless of when cash is received or paid.

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

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

In the *Statement of Net Position* and the *Statement of Activities*, the County's financial activities are divided into three categories:

- *Governmental activities* include most of the County's basic services, including but not limited to, public safety, general government & judicial administration, public works, health and welfare, community development and parks & recreation. These activities are financed by local tax revenue; other local revenue; state revenues, including grants; and federal revenues, primarily for welfare administration and public assistance.
- *Business-type activities* include user fees charged to customers to help cover the costs of certain services it provides. The County's Utilities Fund is included here.
- *Component units* consist of the school operating fund (including the cafeteria fund) and economic development fund. The County is financially accountable for these component units and provides operating support from local tax revenue.

Fund Financial Statements

Fund financial statements provide detailed information about the County's more significant funds. Funds are used to monitor specific sources of funding and spending for particular purposes. Some are required by state law; others are established to control and manage funds allocated for specific purposes. All of the County's funds can be divided into two categories: *governmental funds* and *proprietary funds*.

**Surry County, Virginia**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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*Governmental funds* account for essentially the same functions or services reported as governmental activities in the government-wide financial statements, with the exception of the method of accounting. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the focus of governmental funds is more narrow than that of the government-wide financial statements, reconciliation between the two methods is provided at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenses and changes in fund balances.

The County maintains budgetary control over its operating funds. Budgetary controls ensure legal compliance to the appropriations. To demonstrate compliance with the budget, a budgetary comparison statement is provided for the General Fund to include variance information. The County's major governmental funds include the General Fund and the Capital Projects Fund.

*Proprietary funds* consist of enterprise funds. Enterprise funds are established to provide for the delivery of goods and services to the general public similar to private sector business. The Utilities Fund provides a centralized source for water services to County residents.

Notes to the financial statements

The notes provide additional information essential to a full understanding of the data included in the government-wide and fund financial statements. The notes also contain required supplementary information including budgetary comparison schedules and combining financial statements for the discretely presented component unit that includes the School Fund and the Cafeteria Fund. The School Board does not issue separate financial statements. The Economic Development Authority Fund is also reported as a component unit.

Required Supplementary Information

In addition to basic financial statements and notes, this report also presents budgetary comparison schedules.

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**Surry County, Virginia**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The *Statement of Net Position* serves as a useful indicator over time of financial position. The County's governmental assets and deferred outflows of resources at June 30, 2025 exceeded liabilities and deferred inflows of resources by \$40.7 million, while business assets exceeded liabilities by \$3.7 million. The following table provides comparative information on the County's net position as of June 30, 2025 and June 30, 2024.

County of Surry, Virginia's Net Assets

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 33,798,414	\$ 30,992,295	\$ 419,469	\$ 192,354	\$ 34,217,883	\$ 31,184,649
Capital assets	30,488,541	29,015,094	3,282,395	3,380,703	33,770,936	32,395,797
Total assets	\$ 64,286,955	\$ 60,007,389	\$ 3,701,864	\$ 3,573,057	\$ 67,988,819	\$ 63,580,446
Pension related items	\$ 1,203,989	\$ 626,561	\$ -	\$ -	\$ 1,203,989	\$ 626,561
OPEB related items	117,450	138,904	-	-	117,450	138,904
Total deferred outflows of revenue	\$ 1,321,439	\$ 765,465	\$ -	\$ -	\$ 1,321,439	\$ 765,465
Current liabilities	\$ 1,444,310	\$ 2,948,929	\$ 5,424	\$ 27,148	\$ 1,449,734	\$ 2,976,077
Long-term liabilities:						
Due within one year	1,952,480	1,727,769	-	-	1,952,480	1,727,769
Due in more than one year	20,744,445	21,615,062	-	-	20,744,445	21,615,062
Total liabilities	\$ 24,141,235	\$ 26,291,760	\$ 5,424	\$ 27,148	\$ 24,146,659	\$ 26,318,908
Deferred revenue-property taxes	\$ 10,987	\$ 24,196	\$ -	\$ -	\$ 10,987	\$ 24,196
Pension related items	683,147	661,333	-	-	683,147	661,333
OPEB related items	81,948	71,366	-	-	81,948	71,366
Total deferred inflow of resources	\$ 776,082	\$ 756,895	\$ -	\$ -	\$ 776,082	\$ 756,895
Net investment in capital assets	\$ 26,939,518	\$ 23,321,831	\$ 3,282,395	\$ 3,380,703	\$ 30,221,913	\$ 26,702,534
Restricted for grants	124,635	109,978	-	-	124,635	109,978
Unrestricted	13,626,924	10,292,390	414,045	165,206	14,040,969	10,457,596
Total net position	\$ 40,691,077	\$ 33,724,199	\$ 3,696,440	\$ 3,545,909	\$ 44,387,517	\$ 37,270,108

Unrestricted net position of governmental activities account for \$13.6 million or 33.5% of the County's total governmental net position and are used to meet the County's ongoing obligations. \$124,635 of net position relates to grant monies that will carry over to FY2026. The remaining governmental assets are investments in capital assets (e.g. land, buildings, systems, machinery & equipment and infrastructure), less accumulated depreciation and any debt used to acquire those assets outstanding at year-end. The County uses these capital assets to provide services to citizens, so they are not available for future spending.

**Surry County, Virginia**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

	Governmental Activities		Business-type Activities		Totals	Totals
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 940,048	\$ 479,550	\$ 298,401	\$ 150,732	\$ 1,238,449	\$ 630,282
Operating grants and contributions	4,864,646	3,629,726	-	-	4,864,646	3,629,726
General revenues:						
General property taxes	28,475,350	27,443,951	-	-	28,475,350	27,443,951
Other local taxes	2,647,320	2,148,839	-	-	2,647,320	2,148,839
Grants and other contributions not restricted	730,069	774,693	-	-	730,069	774,693
Other general revenues	1,184,865	2,305,151	-	-	1,184,865	2,305,151
<b>Total revenues</b>	<b>\$ 38,842,298</b>	<b>\$ 36,781,910</b>	<b>\$ 298,401</b>	<b>\$ 150,732</b>	<b>\$ 39,140,699</b>	<b>\$ 36,932,642</b>
Expenses:						
General government administration						
General government administration	\$ 3,344,962	\$ 5,657,566	\$ -	\$ -	\$ 3,344,962	\$ 5,657,566
Judicial administration	1,126,260	1,239,939	-	-	1,126,260	1,239,939
Public safety	4,884,084	4,573,412	-	-	4,884,084	4,573,412
Public works	3,420,839	1,740,218	188,510	196,236	3,609,349	1,936,454
Health and welfare	3,104,600	2,972,716	-	-	3,104,600	2,972,716
Education	12,994,697	13,281,762	-	-	12,994,697	13,281,762
Parks, recreation, and cultural	789,094	867,270	-	-	789,094	867,270
Community development	1,149,094	1,147,041	-	-	1,149,094	1,147,041
Interest and other fiscal charges	453,349	472,177	-	-	453,349	472,177
<b>Total expenses</b>	<b>\$ 31,266,979</b>	<b>\$ 31,952,101</b>	<b>\$ 188,510</b>	<b>\$ 196,236</b>	<b>\$ 31,455,489</b>	<b>\$ 32,148,337</b>
Excess (deficiency) before transfers	\$ 7,575,319	\$ 4,829,809	\$ 109,891	\$ (45,504)	\$ 7,685,210	\$ 4,784,305
Transfers	\$ (40,640)	\$ (40,640)	\$ 40,640	\$ 40,640	\$ -	\$ -
Change in net position	\$ 7,534,679	\$ 4,789,169	\$ 150,531	\$ (4,864)	\$ 7,685,210	\$ 4,784,305
Net position, beginning of year, as restated	33,156,398	28,935,030	3,545,909	3,550,773	36,702,307	32,485,803
Net position, end of year	\$ 40,691,077	\$ 33,724,199	\$ 3,696,440	\$ 3,545,909	\$ 44,387,517	\$ 37,270,108

The *Statement of Activities* illustrates the general revenue sources that support the various governmental operations. Governmental activities increased the County's net position by \$7.5 million, from \$33.2 million at June 30, 2024 (as restated) to \$40.7 million at June 30, 2025. Key factors associated with the increase in net position include:

- General property taxes increased by \$1.0M or 3.8% from FY24 to FY25. This increase is mostly due to a change in the personal property tax collection dates from December 5th to June 5th and December 5<sup>th</sup>, resulting in one-time revenue for FY25.
- Other local taxes increased by \$498,481 or 23.2%, primarily due to a large increase in local sales tax revenue, mostly due to activities associated with Public Service Corporations and solar projects.

**Surry County, Virginia**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

- Other general revenue decreased by \$1.1M or 48.6%, primarily due to arbitrage rebate liability as well as one-time revenue received in FY24.
- Charges for services increased by \$608,167 or 96.5%, This increase was primarily driven by additional building-related revenue and ambulance billing fees.
- Total expenses decreased by \$692,848 or 2.2%, primarily due to an decrease in General Government Administration costs, offset by an increase in Public Works costs.

In FY25 the net position of the County's business-type activities increased by \$150,531 or 4.2%, due to increased revenues. The table on the preceding page shows the revenues and expenses of the governmental and business-type activities.

**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

The County of Surry uses fund accounting to demonstrate compliance with statutory budgetary requirements. The following is a financial analysis of the County's governmental funds.

The County's total revenues from the General Fund were \$34.7 million for the fiscal year ended June 30, 2025. General Fund revenue increased 2.7%, or \$0.91 million in FY25. General property taxes, the largest source of revenue, were \$26.66 million, including public service corporation taxes (\$15.56 million), real estate taxes (\$8.48 million) and personal property taxes (\$2.51 million). Approximately 77% of the County's revenue from governmental activities is derived from property taxes, as shown below in the table of Revenue Classified by Source.

Other local taxes is comprised primarily of local sales tax, business and vehicle licenses, utility consumption taxes and recordation tax. The second largest local revenue source, other local taxes, totaled \$2.2 million in FY25. This amount represented an increase of \$447,090, or 26.2% from the previous year. This increase was primarily due to an increase in local sales tax revenue.

	Revenue Classified by Source - General Fund					
	June 30, 2025		June 30, 2024		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
General Property Taxes	\$28,969,765	76.76%	\$26,661,751	76.76%	\$2,308,014	8.66%
Other Local Taxes	2,647,320	6.19%	2,148,839	6.19%	498,481	23.20%
Permits, Fees & Regulatory Licenses	517,139	0.42%	144,310	0.42%	372,829	258.35%
Fines & Forfeitures	54,618	0.10%	35,186	0.10%	19,432	55.23%
Revenue from Use of Money & Property	602,112	2.00%	695,478	2.00%	-93,366	-13.42%
Charges for Services	368,291	0.86%	300,054	0.86%	68,237	22.74%
Miscellaneous	278,449	0.66%	229,744	0.66%	48,705	21.20%
Recovered Costs	160,215	0.44%	151,696	0.44%	8,519	5.62%
Intergovernmental:						
Commonwealth	3,105,003	9.05%	3,142,389	9.05%	-37,386	-1.19%
Federal	2,511,423	3.53%	1,224,411	3.53%	1,287,012	105.11%
<b>Total Revenues</b>	<b>\$39,214,335</b>	<b>100.00%</b>	<b>\$34,733,858</b>	<b>100.00%</b>	<b>\$4,480,477</b>	<b>12.90%</b>

Intergovernmental revenues allocated by the state and federal governments totaled \$5.6 million during FY25, which reflects an increase of \$1.25M or 28.6%. Revenue from the commonwealth for non-categorical aid decreased by \$15,009 or 1.94% in FY25. Non-categorical aid is not earmarked for a specific program and may be used for the general operation

**Surry County, Virginia**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

of the local government. The bulk of non-categorical aid is the state reimbursement for personal property tax relief of \$677,907. Shared expenses (the state share of the operation of the constitutional offices and electoral board/registrar) increased by \$116,005, or 8.7%, while the other categorical aid consisting of welfare administration, children's services act and federal & state grants decreased by \$138,383 or 13.4%. This increase was primarily due to increases in support of children's services and tourism costs.

**Governmental Funds Expenditure Analysis**

The following table of Expenditures by Function compares current year to prior year amounts. The accompanying analysis provides additional information on the County's expenses by function that changed significantly over the prior year.

	Expenditures by Function - General Fund					
	June 30, 2025		June 30, 2024		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
General Government Administration	\$4,353,337	13.68%	\$3,850,932	12.23%	\$502,405	13.05%
Judicial Administration	866,017	2.72%	930,678	2.96%	-64,661	-6.95%
Public Safety	4,798,262	15.08%	4,965,928	15.77%	-167,666	-3.38%
Public Works	1,567,677	4.93%	1,679,806	5.33%	-112,129	-6.68%
Health & Welfare	3,144,107	9.88%	3,034,178	9.64%	109,929	3.62%
Education	12,809,697	40.27%	13,101,763	41.61%	-292,066	-2.23%
Parks, Recreation & Cultural	658,233	2.07%	628,599	2.00%	29,634	4.71%
Community Development	1,167,696	3.67%	1,020,055	3.24%	147,641	14.47%
Debt Service: Principal Retirement	1,831,227	5.76%	1,610,000	5.11%	221,227	13.74%
Debt Service: Interest Retirement	615,797	1.94%	667,944	2.12%	-52,147	-7.81%
<b>Total Expenditures</b>	<b>\$31,812,050</b>	<b>100.00%</b>	<b>\$31,489,883</b>	<b>100.00%</b>	<b>\$322,167</b>	<b>1.02%</b>

The County's total General Fund expenditures of \$31.8 million for the fiscal year ended June 30, 2025 covered a wide range of services, with 40.27% or \$12.8 million for education (payments to the School System, a component unit), 15.08% or \$4.8 million for public safety, 9.88% or \$3.1 million for health and welfare services, 7.69% or \$2.45 million to retire existing debt service, 13.68% or \$4.4 million related to general government administration, and 4.93% or \$1.6 million for public works. The remaining 8.46% includes expenditures for parks & recreation, community development, and judicial administration.

The General Fund is the main operating fund of the County. Primarily, the County's ending fund balance at June 30<sup>th</sup> is used to fund financial obligations of the County from July 1<sup>st</sup> through December 5<sup>th</sup> of each year, when the County receives its largest influx of revenue in the form of real estate and public service corporation taxes, and one half of personal property taxes. Beginning with FY25, the due date for personal property taxes was changed to twice a year, on June 5 and December 5<sup>th</sup>. Other than the June personal property tax payment, prior to December 5<sup>th</sup> only minimal revenues such as federal and state reimbursements, fees for services, permits and fines are routinely received. Therefore, not all of the \$13.6 million in unrestricted net position noted in Exhibit 1 of the ACFR is available for spending at the County's discretion. In short, the County depends on its fund balance, or reserves, for cash flow at certain times during the fiscal year.

The County's current financial policy has established an assigned fund balance of 25% of General Fund and School Fund appropriated expenditures (net of transfers), and the Board of Supervisors also assigns fund balance for various purposes throughout the year. Fund balance is restricted for unspent grants that are restricted to certain uses. At June 30, 2025, the restricted fund balance was \$124,635 and the unassigned fund balance was \$14.5M of the total fund balance. Total fund balance increased by \$5.1M from FY24 to FY25, primarily due to one-time personal property tax revenue from a

**Surry County, Virginia**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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change from once a year to twice a year collection dates. Strong sales tax revenue from Public Service Corporation capital activity and solar farm construction also contributed to the increase.

The Capital Projects Fund consists of the non-operating expenditures and reflects the capital needs of the County. Capital expenditures are not recurring operating expenditures, but one-time significant expenditures for the construction of buildings & infrastructure or the purchase of large equipment & vehicles.

The FY25 capital expenditures totaled \$ 3,333,312, including these projects:

- ARPA projects - \$ 1,127,044 or 33.8%
- Major maintenance projects - \$ 871,982, or 26.2%
- Security upgrades - \$ 578,762 or 17.4%
- New financial management system - \$ 381,674, or 11.5%
- Vehicle replacement - \$ 247,697, or 7.4%
- Technology upgrades - \$ 50,465, or 1.5%
- Records books preservation - \$47,304, or 1.4%
- Miscellaneous other projects -- \$ 28,384, or 0.9%..

**General Fund Budgetary Highlights**

Surry County has consistently taken a conservative approach to financial management, staying well within budgetary limits for expenditures during the fiscal year. FY25 resulted in General Fund operating expenditures of \$1.8M below the revised budget. The County's budget was amended during the year to reflect grants, carryover of unspent appropriations from FY24 and other unanticipated revenues. The difference between the original adopted budget and the amended budget was \$1.3M or 2.4%.

**Capital Asset and Debt Administration**

Capital assets - The County's investment in capital assets for its governmental operations as of June 30, 2025 totaled \$30.5 million (net of accumulated depreciation). This represents a net increase of \$1.5 million, due primarily to infrastructure. The investment in capital assets includes land and land improvements, buildings, infrastructure and machinery & equipment. Additional information on the County's capital assets can be found in Note 5 of this report.

Long-Term Debt - At the end of the current fiscal year, the County had total debt outstanding of \$18.6 million, excluding bond premiums, compensated absences, and landfill post-closure liability. Of this amount, \$1.2 million comprises net pension and other post-employment benefit liabilities. The remainder of the County's debt represents bonds secured solely by specified revenue sources through revenue bonds and lease revenue bonds.

The amount of debt outstanding related to School Board activities is \$860,000 of the total outstanding general obligation bonds of the governmental activities.

During the current fiscal year, the County's total debt decreased by \$1.2 million, excluding bond premiums, compensated absences and landfill post-closure liability.

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

**Surry County, Virginia**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**Economic Factors and Next Year's Budget and Rates**

- The unemployment rate for the County for the fiscal year ending June 30, 2025 was 4.0%, an increase of 29% from the same period last year. Generally, the County's unemployment rate remains slightly above the state's average.
- The FY25 operating budget for all funds is \$56.0 million (including transfers to other funds), an increase of 2.4% from the FY24 adopted budget. The FY25 Capital budget is \$14.2 million, an increase of 151% from the FY24 capital budget.
- Tax rates for future periods are dependent on the effects of fluctuations in the assessed valuations of public service corporations and real property.
- For FY2025, the real property tax rate is \$0.71 per \$100 of assessed value.

**Requests for Information**

This financial report is designed to provide all those with an interest in the County's finances with a general overview of the finances and to demonstrate the County's stewardship of public funds. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, Post Office Box 65, Surry, Virginia 23883.

## *BASIC FINANCIAL STATEMENTS*

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*GOVERNMENT-WIDE FINANCIAL STATEMENTS*

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

	Primary Government			Component Units	
	Governmental	Business-type	Total	School Board	EDA
	Activities	Activities			
<b>ASSETS</b>					
Cash and cash equivalents	\$ 14,131,887	\$ 38,344	\$ 14,170,231	\$ 2,942,372	\$ 144,258
Receivables (net of allowance for uncollectibles):					
Taxes receivable	1,215,432	-	1,215,432	-	-
Accounts receivable	123,786	381,125	504,911	-	-
Due from component unit	2,312,133	-	2,312,133	-	-
Due from other governmental units	566,245	-	566,245	751,109	35,000
Restricted assets:					
Bond construction escrow	15,448,931	-	15,448,931	-	-
Capital assets (net of accumulated depreciation/amortization):					
Land and land improvements	1,853,478	3,636	1,857,114	158,330	-
Buildings and system	17,211,771	3,278,759	20,490,530	5,451,206	-
Equipment	2,162,889	-	2,162,889	3,703,563	-
Lease equipment	-	-	-	21,501	-
Improvements	7,636,810	-	7,636,810	-	-
Construction in progress	1,623,593	-	1,623,593	495,672	-
Total assets	\$ 64,286,955	\$ 3,701,864	\$ 67,988,819	\$ 13,523,753	\$ 179,258
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension related items	\$ 1,203,989	\$ -	\$ 1,203,989	\$ 2,759,449	\$ -
OPEB related items	117,450	-	117,450	286,913	-
Total deferred outflows of resources	\$ 1,321,439	\$ -	\$ 1,321,439	\$ 3,046,362	\$ -
<b>LIABILITIES</b>					
Accounts payable	\$ 1,272,169	\$ 5,424	\$ 1,277,593	\$ 384,389	\$ -
Accrued liabilities	-	-	-	703,174	-
Accrued interest payable	172,141	-	172,141	-	-
Unearned revenue	-	-	-	14,385	-
Due to primary government	-	-	-	2,312,133	-
Long-term liabilities:					
Due within one year	1,952,480	-	1,952,480	279,319	-
Due in more than one year	20,744,445	-	20,744,445	11,691,915	-
Total liabilities	\$ 24,141,235	\$ 5,424	\$ 24,146,659	\$ 15,385,315	\$ -
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred revenue - property taxes	\$ 10,987	\$ -	\$ 10,987	\$ -	\$ -
Pension related items	683,147	-	683,147	1,912,194	-
OPEB related items	81,948	-	81,948	531,134	-
Total deferred inflows of resources	\$ 776,082	\$ -	\$ 776,082	\$ 2,443,328	\$ -
<b>NET POSITION</b>					
Net investment in capital assets	\$ 26,939,518	\$ 3,282,395	\$ 30,221,913	\$ 9,807,017	\$ -
Restricted for:					
Grants	124,635	-	124,635	-	-
Unrestricted (deficit)	13,626,924	414,045	14,040,969	(11,065,545)	179,258
Total net position (deficit)	\$ 40,691,077	\$ 3,696,440	\$ 44,387,517	\$ (1,258,528)	\$ 179,258

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

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

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>PRIMARY GOVERNMENT:</b>				
Governmental activities:				
General government administration	\$ 3,344,962	\$ 158	\$ 1,597,830	\$ -
Judicial administration	1,126,260	60,807	505,367	-
Public safety	4,884,084	841,389	827,326	-
Public works	3,420,839	11,495	11,033	-
Health and welfare	3,104,600	-	1,915,541	-
Education	12,994,697	-	-	-
Parks, recreation, and cultural	789,094	26,199	-	-
Community development	1,149,094	-	-	-
Interest on long-term debt	453,349	-	-	-
Total governmental activities	<u>\$ 31,266,979</u>	<u>\$ 940,048</u>	<u>\$ 4,857,097</u>	<u>\$ -</u>
Business-type activities:				
Water and sewer	\$ 188,510	\$ 298,401	\$ -	\$ -
Total business-type activities	<u>\$ 188,510</u>	<u>\$ 298,401</u>	<u>\$ -</u>	<u>\$ -</u>
Total primary government	<u>\$ 31,455,489</u>	<u>\$ 1,238,449</u>	<u>\$ 4,857,097</u>	<u>\$ -</u>
<b>COMPONENT UNITS:</b>				
School Board	\$ 19,003,354	\$ 47,062	\$ 5,009,103	\$ -
Economic Development Authority	72,332	-	-	-
Total component units	<u>\$ 19,075,686</u>	<u>\$ 47,062</u>	<u>\$ 5,009,103</u>	<u>\$ -</u>
General revenues:				
General property taxes				
Other local taxes:				
Local sales and use taxes				
Motor vehicle licenses				
Business licenses				
Other local taxes				
Unrestricted revenues from use of money				
Miscellaneous				
Payments from Surry County				
Grants and contributions not restricted to specific programs				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position (deficit) - beginning, as previously reported				
Restatement				
Net position (deficit) - beginning, as restated				
Net position (deficit) - ending				

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	School Board	EDA
\$ (1,746,974)		\$ (1,746,974)		
(560,086)		(560,086)		
(3,215,369)		(3,215,369)		
(3,398,311)		(3,398,311)		
(1,189,059)		(1,189,059)		
(12,994,697)		(12,994,697)		
(762,895)		(762,895)		
(1,149,094)		(1,149,094)		
(453,349)		(453,349)		
<u>\$ (25,469,834)</u>		<u>\$ (25,469,834)</u>		
	\$ 109,891	\$ 109,891		
	<u>\$ 109,891</u>	<u>\$ 109,891</u>		
		<u>\$ (25,359,943)</u>		
			\$ (13,947,189)	\$ -
			-	(72,332)
			<u>\$ (13,947,189)</u>	<u>\$ (72,332)</u>
\$ 28,475,350	\$ -	\$ 28,475,350	\$ -	\$ -
1,850,986	-	1,850,986	-	-
195,335	-	195,335	-	-
240,609	-	240,609	-	-
360,390	-	360,390	-	-
850,006	-	850,006	370	83
312,778	-	312,778	253,560	-
-	-	-	12,922,809	80,000
759,699	-	759,699	-	-
(40,640)	40,640	-	-	-
<u>\$ 33,004,513</u>	<u>\$ 40,640</u>	<u>\$ 33,045,153</u>	<u>\$ 13,176,739</u>	<u>\$ 80,083</u>
\$ 7,534,679	\$ 150,531	\$ 7,685,210	\$ (770,450)	\$ 7,751
33,724,199	3,545,909	37,270,108	126,910	171,507
(567,801)	-	(567,801)	(614,988)	-
<u>\$ 33,156,398</u>	<u>\$ 3,545,909</u>	<u>\$ 36,702,307</u>	<u>\$ (488,078)</u>	<u>\$ 171,507</u>
<u>\$ 40,691,077</u>	<u>\$ 3,696,440</u>	<u>\$ 44,387,517</u>	<u>\$ (1,258,528)</u>	<u>\$ 179,258</u>

*FUND FINANCIAL STATEMENTS*

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

	<u>General</u>	<u>County Capital Projects</u>	<u>Other Governmental</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,769,677	5,275,875	\$ 1,140,040	\$ 14,185,592
Receivables (net of allowance for uncollectibles):				
Taxes receivable	1,215,432	-	-	1,215,432
Accounts receivable	123,786	-	-	123,786
Due from component unit	2,312,133	-	-	2,312,133
Due from other governmental units	566,245	-	-	566,245
Restricted assets:				
Bond construction funds	15,448,931	-	-	15,448,931
Total assets	<u>\$ 27,436,204</u>	<u>\$ 5,275,875</u>	<u>\$ 1,140,040</u>	<u>\$ 33,852,119</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 675,752	\$ 596,417	\$ -	\$ 1,272,169
Reconciled overdraft payable	-	-	53,705	53,705
Total liabilities	<u>\$ 675,752</u>	<u>\$ 596,417</u>	<u>\$ 53,705</u>	<u>\$ 1,325,874</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-property taxes	\$ 738,483	\$ -	\$ -	\$ 738,483
Unavailable revenue-opioid settlement	91,371	-	-	91,371
Total deferred inflows of resources	<u>\$ 829,854</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 829,854</u>
<b>FUND BALANCES</b>				
Restricted	\$ 124,635	\$ -	\$ -	\$ 124,635
Committed	-	4,679,458	1,140,040	5,819,498
Assigned	11,296,252	-	-	11,296,252
Unassigned (deficit)	14,509,711	-	(53,705)	14,456,006
Total fund balances	<u>\$ 25,930,598</u>	<u>\$ 4,679,458</u>	<u>\$ 1,086,335</u>	<u>\$ 31,696,391</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 27,436,204</u>	<u>\$ 5,275,875</u>	<u>\$ 1,140,040</u>	<u>\$ 33,852,119</u>

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

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

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	31,696,391
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets cost	\$ 50,499,042	
Accumulated depreciation	<u>(20,010,501)</u>	30,488,541
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Unavailable revenue - property taxes	\$ 727,496	
Unavailable revenue - opioid settlement	<u>91,371</u>	818,867
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items	\$ 1,203,989	
OPEB related items	<u>117,450</u>	1,321,439
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:		
General obligation bonds	\$ (860,000)	
Revenue bond	(16,945,000)	
Equipment purchase agreement	(416,817)	
Bond issuance premiums	(776,137)	
Net OPEB liability	(440,738)	
Net pension liability	(1,067,461)	
Compensated absences	(1,295,676)	
Landfill postclosure care	(895,096)	
Accrued interest payable	<u>(172,141)</u>	(22,869,066)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items	\$ (683,147)	
OPEB related items	<u>(81,948)</u>	(765,095)
Net position of governmental activities		<u><u>\$ 40,691,077</u></u>

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

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

	<u>General</u>	<u>County Capital Projects</u>	<u>Other Governmental</u>	<u>Total</u>
<b>REVENUES</b>				
General property taxes	\$ 28,969,765	\$ -	\$ -	\$ 28,969,765
Other local taxes	2,647,320	-	-	2,647,320
Permits, privilege fees, and regulatory licenses	517,139	-	-	517,139
Fines and forfeitures	54,618	-	-	54,618
Revenue from the use of money and property	602,112	247,864	30	850,006
Charges for services	368,291	-	-	368,291
Miscellaneous	278,449	-	56,410	334,859
Recovered costs	160,215	-	-	160,215
Intergovernmental:				
Commonwealth	3,105,003	-	370	3,105,373
Federal	2,511,423	-	-	2,511,423
Total revenues	<u>\$ 39,214,335</u>	<u>\$ 247,864</u>	<u>\$ 56,810</u>	<u>\$ 39,519,009</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 4,353,337	\$ -	\$ -	\$ 4,353,337
Judicial administration	866,017	-	-	866,017
Public safety	4,798,262	-	-	4,798,262
Public works	1,567,677	-	-	1,567,677
Health and welfare	3,144,107	-	-	3,144,107
Education	12,809,697	-	-	12,809,697
Parks, recreation, and cultural	658,233	-	-	658,233
Community development	1,167,696	-	80,000	1,247,696
Capital projects	-	3,333,312	-	3,333,312
Debt service:				
Principal retirement	1,831,227	-	-	1,831,227
Interest and other fiscal charges	615,797	-	-	615,797
Total expenditures	<u>\$ 31,812,050</u>	<u>\$ 3,333,312</u>	<u>\$ 80,000</u>	<u>\$ 35,225,362</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 7,402,285</u>	<u>\$ (3,085,448)</u>	<u>\$ (23,190)</u>	<u>\$ 4,293,647</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 175,000	\$ 2,381,344	\$ 80,000	\$ 2,636,344
Transfers out	(2,501,984)	(175,000)	-	(2,676,984)
Issuance of equipment purchase agreement	-	588,044	-	588,044
Total other financing sources (uses)	<u>\$ (2,326,984)</u>	<u>\$ 2,794,388</u>	<u>\$ 80,000</u>	<u>\$ 547,404</u>
Net change in fund balances	\$ 5,075,301	\$ (291,060)	\$ 56,810	\$ 4,841,051
Fund balances - beginning	20,855,297	4,970,518	1,029,525	26,855,340
Fund balances - ending	<u>\$ 25,930,598</u>	<u>\$ 4,679,458</u>	<u>\$ 1,086,335</u>	<u>\$ 31,696,391</u>

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

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

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

Net change in fund balances - total governmental funds	\$	4,841,051
<p>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. The following is a summary of items supporting this adjustment:</p>		
Capital asset additions	\$ 2,883,555	
Depreciation expense	(1,295,693)	
Activity related to joint tenancy assets of Component Unit and Primary Government	<u>(114,415)</u>	1,473,447
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Property taxes	\$ (494,415)	
Opioid settlement	<u>(22,081)</u>	(516,496)
<p>The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The following is a summary of items supporting this adjustment:</p>		
Principal retired on school general obligation bonds	\$ 185,000	
Principal retired on lease revenue bond	1,475,000	
Principal retired on equipment purchase agreement	171,227	
Issuance of equipment purchase agreement	(588,044)	
Bond premium amortization	<u>163,056</u>	1,406,239
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. The following is a summary of items supporting this adjustment:</p>		
Decrease (increase) in compensated absences	\$ (50,181)	
Pension expense	411,172	
OPEB expense	(10,677)	
Decrease (increase) in landfill postclosure care	(19,268)	
Decrease (increase) in accrued interest payable	<u>(608)</u>	330,438
Change in net position of governmental activities		<u>\$ 7,534,679</u>

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

County of Surry, Virginia  
Statement of Net Position  
Proprietary Funds  
June 30, 2025

	Enterprise Fund Water and <u>Sewer</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 38,344
Accounts receivable, net of allowance for uncollectibles	381,125
Total current assets	\$ 419,469
Noncurrent assets:	
Capital assets:	
Land and land improvements	\$ 3,636
Utility plant in service	4,176,247
Equipment	119,992
Accumulated depreciation	(1,017,480)
Total net capital assets	\$ 3,282,395
Total noncurrent assets	\$ 3,282,395
Total assets	\$ 3,701,864
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 5,424
Total current liabilities	\$ 5,424
Total liabilities	\$ 5,424
<b>NET POSITION</b>	
Investment in capital assets	\$ 3,282,395
Unrestricted	414,045
Total net position	\$ 3,696,440

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

County of Surry, Virginia  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2025

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	Enterprise Fund <u>Water and Sewer</u>
<b>OPERATING REVENUES</b>	
Charges for services:	
Water and sewer revenues	\$ 298,401
Total operating revenues	<u>\$ 298,401</u>
<b>OPERATING EXPENSES</b>	
Other supplies and expenses	\$ 90,202
Depreciation	98,308
Total operating expenses	<u>\$ 188,510</u>
Operating income (loss)	<u>\$ 109,891</u>
Income (loss) before transfers	<u>\$ 109,891</u>
Transfers in	<u>\$ 40,640</u>
Change in net position	\$ 150,531
Net position - beginning	3,545,909
Net position - ending	<u><u>\$ 3,696,440</u></u>

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

County of Surry, Virginia  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2025

	Enterprise Fund <u>Water and Sewer</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 55,371
Payments to suppliers	(111,926)
Net cash provided by (used for) operating activities	<u>\$ (56,555)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers from other funds	<u>\$ 40,640</u>
Net increase (decrease) in cash and cash equivalents	\$ (15,915)
Cash and cash equivalents - beginning	54,259
Cash and cash equivalents - ending	<u><u>\$ 38,344</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>	
Operating income (loss)	<u>\$ 109,891</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	\$ 98,308
(Increase) decrease in accounts receivable	(243,030)
Increase (decrease) in accounts payable	(21,724)
Total adjustments	<u>\$ (166,446)</u>
Net cash provided by (used for) operating activities	<u><u>\$ (56,555)</u></u>

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

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

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	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 341,738
Total assets	\$ 341,738
<b>LIABILITIES</b>	
Accounts payable	\$ 2,514
Total liabilities	\$ 2,514
<b>NET POSITION</b>	
Restricted for:	
Special welfare	\$ 65,285
Other governments	273,939
Total net position	\$ 339,224

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

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

---

	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Contributions:	
Donations	\$ 97,349
Investment earnings:	
Interest and dividends	1,327
Total additions	<u>\$ 98,676</u>
<b>DEDUCTIONS</b>	
Purchases for supplies	<u>\$ 74,262</u>
Total deductions	<u>\$ 74,262</u>
Net increase (decrease) in fiduciary net position	<u>\$ 24,414</u>
Net position, beginning	<u>\$ 314,810</u>
Net position, ending	<u><u>\$ 339,224</u></u>

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

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## COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements  
As of June 30, 2025

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

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

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

#### Financial Statement Presentation

##### Government-Wide and Fund Financial Statements

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

COUNTY OF SURRY, VIRGINIA

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

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

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

**A. Financial Reporting Entity**

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

**B. Individual Component Unit Disclosures**

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

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

The Surry County Economic Development Authority (EDA) is responsible for industrial and commercial development in the County. The Authority consists of five members appointed by the Board of Supervisors. The Authority is fiscally dependent on the County, as the County is involved in the day-to-day operations of the EDA and the EDA has the potential for financial benefit or burden to the County. Therefore, the EDA is included in the County's financial statements as a discrete presentation for the year ended June 30, 2025. The Authority does not issue a separate financial report.

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

None

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

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**C. Other Related Organizations Included in the County's Financial Report (Continued)**

**Excluded from the County's Annual Financial Report**

**District 19 Community Services Board**

The District 19 Community Services Board is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. The governing body of this organization is appointed by the participating jurisdictions which include the Cities of Colonial Heights, Emporia, Hopewell, Petersburg and the Counties of Surry, Greensville, Prince George and Sussex. The governing board has the ability to execute contracts and to budget and expend funds. No one locality contributes more than 50% of the Board's funding or has oversight responsibility over its operations. Surry County contributed \$91,313 to the District 19 Community Services Board for the fiscal year ended June 30, 2025.

**Riverside Regional Jail**

The Riverside Regional Jail is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. The governing body of this organization is appointed by respective governing bodies of the participating jurisdictions. The governing board has the ability to execute contracts and to budget and expend funds. No one locality contributes more than 50% of the Board's funding or has oversight responsibility over its operations.

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

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

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

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

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

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

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

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

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 within two months preceding receipt by the County.

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

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

**1. Governmental Funds**

Governmental Funds are those through which most governmental functions typically are financed. The County reports the General and County Capital Project Funds as major governmental funds.

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

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

1. Governmental Funds (Continued)

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

Capital Projects Fund - The Capital Projects Fund accounts for and reports financial resources that are restricted, committed or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments.

The County reports the following nonmajor governmental funds:

Special Revenue Funds - Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Fiduciary Funds - (Trust and Custodial Funds) - Account for assets held by the County in a trustee capacity or as a custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds which consist of the Special Welfare Fund, the Crater AAA Fund, and the Emergency Food and Shelter Fund. These funds utilize the accrual basis of accounting described in the Governmental Fund Presentation. Fiduciary funds are not included in the government-wide financial statements.

2. Proprietary Funds - accounts for operations that are financed in a manner similar to private business enterprises. The Proprietary Fund measurement focus is upon determination of net income, financial position, and changes in financial position. Proprietary Funds consist of Enterprise Funds.

Enterprise Funds - Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The County's Enterprise Funds consist of the Water and Sewer Fund, which account for the operations of sewage pumping stations and collection systems, and the water distribution system, as well as, construction of water and sewer systems.

**E. Cash and Cash Equivalents**

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

COUNTY OF SURRY, VIRGINIA

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

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

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**F. 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.

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

**G. Receivables and Payables**

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

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$922,565 at June 30, 2025 and is comprised entirely of water and sewer charges.

**Real and Personal Property Tax Data:**

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

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

The County bills and collects its own property taxes.

**H. 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.

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

**H. Capital Assets (Continued)**

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

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

Assets	Years
Buildings	40
Buildings and Improvements	40
Infrastructure	40
Furniture, Vehicles, Office and Computer Equipment	5-20
Buses	10
Lease equipment	5

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

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

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**I. 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, 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 terms include 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 receivable and deferred inflows of resources (lessor) or the lease asset and liability (lessee) liability if certain changes occur that are expected to significantly affect the amount of the lease receivable or lease liability.

**J. Compensated Absences**

The liability for compensated absences represents amounts owed to employees for earned but unused vacation and other leave benefits. In accordance with GASB Statement No. 101, *Compensated Absences*, this liability is recognized when the leave is attributable to services already rendered, the leave accumulates, and it is probable that the leave will be used or paid. The liability is measured using the pay rates in effect as of the reporting date, including salary-related payments that are directly and incrementally associated with payments for compensated absences. The portion of the liability expected to be paid within one year is reported as a current liability in the financial statements.

**K. 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.

**L. Fund Balance**

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

- Nonspendable fund balance - amounts that are either not in spendable form (such as inventory and prepaids) or are legally or contractually required to be maintained intact (corpus of a permanent fund);

COUNTY OF SURRY, VIRGINIA

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

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

**L. Fund Balance (Continued)**

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

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

Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of a formal resolution of the Board. Assigned fund balance is also established by Board of Supervisors.

	<u>General Fund</u>	<u>County Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Radiological Grant	\$ 124,635	\$ -	\$ -	\$ 124,635
Total Restricted Fund Balance	<u>\$ 124,635</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 124,635</u>
<b>Committed:</b>				
Capital Projects	\$ -	\$ 4,679,458	\$ -	\$ 4,679,458
DEA Task Force	-	-	52,790	52,790
Economic Development	-	-	1,087,250	1,087,250
Total Committed Fund Balance	<u>\$ -</u>	<u>\$ 4,679,458</u>	<u>\$ 1,140,040</u>	<u>\$ 5,819,498</u>
<b>Assigned for:</b>				
General Government	\$ 11,296,252	\$ -	\$ -	\$ 11,296,252
Total Assigned Fund Balance	<u>\$ 11,296,252</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,296,252</u>
Unassigned	\$ 14,509,711	\$ -	\$ (53,705)	\$ 14,456,006
<b>Total Fund Balances</b>	<u>\$ 25,930,598</u>	<u>\$ 4,679,458</u>	<u>\$ 1,086,335</u>	<u>\$ 31,696,391</u>

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

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**M. Net Position**

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

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

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 financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**N. Pensions**

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

**O. Other Postemployment Benefits (OPEB)**

**VRS Plans**

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

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

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**O. Other Postemployment Benefits (OPEB) (Continued)**

***Medical and Dental Pay-As-You Go***

For purposes of measuring the medical and dental pay-as-you go liability, deferred outflows of resources and deferred inflows of resources related to the Plan's OPEB, and the related OPEB expenses, information about the fiduciary net position of the County's and School Board's Medical and Dental Pay- As-You go Plan and the additions to/deductions from the County's and School Board's OPEB Plan's fiduciary net position have been determined on the same basis as they were reported by the actuary. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

**P. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and premiums on issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as a debt service expenditure.

**Q. Deferred Outflows/Inflows of Resources**

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

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

COUNTY OF SURRY, VIRGINIA

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

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***Note 2—Stewardship, Compliance, and Accounting:***

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

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

***Note 3—Deposits and Investments:***

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**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.

COUNTY OF SURRY, VIRGINIA

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

**Note 3—Deposits and Investments: (Continued)**

**Investments**

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

**Credit Risk of Debt Securities**

The County’s rated debt investments as of June 30, 2025 were rated by Standard & Poor’s and the ratings are presented below using the Standard & Poor’s rating scale. The County’s investment policy has an emphasis on safety and liquidity of investments. The County’s policy is to invest where funds are readily available with little risk of penalties for early withdrawal.

<u>County’s Rated Debt Investments’ Values</u>	
<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>
	<u>AAAm</u>
Local Government Investment Pool	\$ 14,234,903
Virginia State Non-Arbitrage Pool	15,448,931
Total	<u>\$ 29,683,834</u>

**Interest Rate Risk**

According to the County’s investment policy, no more than 50% of the portfolio may be invested in securities maturing in greater than 1 year.

<u>Investment Maturities (in years)</u>		
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>
Local Government Investment Pool	\$ 14,234,903	\$ 14,234,903
Virginia State Non-Arbitrage Pool	15,448,931	15,448,931
Total	<u>\$ 29,683,834</u>	<u>\$ 29,683,834</u>

COUNTY OF SURRY, VIRGINIA

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

**Note 3—Deposits and Investments: (Continued)**

**External Investment Pool**

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

**Note 4—Due to/from Other Governments:**

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

	Primary Government	Component Unit School Board
Other Local Governments:		
Surry County School Board	\$ 2,312,133	\$ -
Commonwealth of Virginia:		
Local sales tax	270,271	-
State Sales Tax	-	177,080
Constitutional officer reimbursements	109,628	-
Auto rental tax	90	-
Mobile home titling tax	10,213	-
Communications tax	5,321	-
Children's services act	22,392	-
Welfare	39,308	-
E-911 wireless grant	9,304	-
Federal Government:		
JROTC	-	7,679
Transportation safety	2,051	-
Victim-witness grant	13,995	-
School fund grants	-	566,350
Welfare	83,672	-
Total due from other governments	<u>\$ 2,878,378</u>	<u>\$ 751,109</u>

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

Other Local Governments:		
County of Surry	<u>\$ -</u>	<u>\$ 2,312,133</u>

COUNTY OF SURRY, VIRGINIA

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

**Note 5—Capital Assets:**

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

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
<i>Primary Government:</i>				
<i>Governmental Activities:</i>				
Capital assets not subject to depreciation:				
Land and land improvements	\$ 1,853,478	\$ -	\$ -	\$ 1,853,478
Construction in progress	5,356,258	382,913	4,115,578	1,623,593
Total capital assets not subject to depreciation	<u>\$ 7,209,736</u>	<u>\$ 382,913</u>	<u>\$ 4,115,578</u>	<u>\$ 3,477,071</u>
Capital assets subject to depreciation:				
Buildings and improvements	\$25,809,516	\$ 1,487,515	\$ -	\$ 27,297,031
Equipment	8,479,445	529,327	1,917,082	7,091,690
Infrastructure	3,696,873	4,599,378	-	8,296,251
Jointly owned assets	4,870,230	-	533,231	4,336,999
Total capital assets subject to depreciation	<u>\$42,856,064</u>	<u>\$ 6,616,220</u>	<u>\$ 2,450,313</u>	<u>\$ 47,021,971</u>
Accumulated depreciation:				
Buildings and improvements	\$10,273,823	\$ 671,437	\$ -	\$ 10,945,260
Equipment	6,503,934	341,949	1,917,082	4,928,801
Infrastructure	447,719	211,722	-	659,441
Jointly owned assets	3,825,230	70,585	418,816	3,476,999
Total accumulated depreciation	<u>\$21,050,706</u>	<u>\$ 1,295,693</u>	<u>\$ 2,335,898</u>	<u>\$ 20,010,501</u>
Total capital assets subject to depreciation, net	<u>\$21,805,358</u>	<u>\$ 5,320,527</u>	<u>\$ 114,415</u>	<u>\$ 27,011,470</u>
Governmental activities capital assets, net	<u>\$29,015,094</u>	<u>\$ 5,703,440</u>	<u>\$ 4,229,993</u>	<u>\$ 30,488,541</u>

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COUNTY OF SURRY, VIRGINIA

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

*Note 5—Capital Assets: (Continued)*

A summary of changes in proprietary fund property, plant, and equipment at June 30, 2025 follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
<i>Business-type activities:</i>				
Capital assets not subject to depreciation:				
Land and land improvements	\$ 3,636	\$ -	\$ -	\$ 3,636
Capital assets subject to depreciation:				
Utility Plant in Service	\$ 4,176,247	\$ -	\$ -	\$ 4,176,247
Equipment	119,992	-	-	119,992
Total capital assets subject to depreciation	\$ 4,296,239	\$ -	\$ -	\$ 4,296,239
Accumulated depreciation:				
Utility Plant in Service	\$ 799,180	\$ 98,308	\$ -	\$ 897,488
Equipment	119,992	-	-	119,992
Total accumulated depreciation	\$ 919,172	\$ 98,308	\$ -	\$ 1,017,480
Total capital assets subject to depreciation, net	\$ 3,377,067	\$ (98,308)	\$ -	\$ 3,278,759
Business-type activities capital assets, net	\$ 3,380,703	\$ (98,308)	\$ -	\$ 3,282,395

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COUNTY OF SURRY, VIRGINIA

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

**Note 5—Capital Assets: (Continued)**

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

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
<i>Component Unit-School Board:</i>				
Capital assets not subject to depreciation/amortization:				
Land and land improvements	\$ 158,330	\$ -	\$ -	\$ 158,330
Construction in progress	495,672	-	-	495,672
Total capital assets not subject to depreciation/amortization	<u>\$ 654,002</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 654,002</u>
Capital assets subject to depreciation/amortization:				
Equipment	\$ 7,676,419	\$ 743,798	\$ 248,796	\$ 8,171,421
Lease equipment	107,505	-	-	107,505
Building improvement	243,988	889,466	-	1,133,454
Jointly owned assets	21,912,539	533,231	-	22,445,770
Total capital assets subject to depreciation/amortization	<u>\$ 29,940,451</u>	<u>\$ 2,166,495</u>	<u>\$ 248,796</u>	<u>\$ 31,858,150</u>
Accumulated depreciation/amortization:				
Equipment	\$ 4,368,521	\$ 348,133	\$ 248,796	\$ 4,467,858
Lease equipment	64,503	21,501	-	86,004
Building improvement	92,724	40,383	-	133,107
Jointly owned assets	17,210,788	365,307	(418,816)	17,994,911
Total accumulated depreciation/amortization	<u>\$ 21,736,536</u>	<u>\$ 775,324</u>	<u>\$ (170,020)</u>	<u>\$ 22,681,880</u>
Total capital assets subject to depreciation/amortization, net	<u>\$ 8,203,915</u>	<u>\$ 1,391,171</u>	<u>\$ 418,816</u>	<u>\$ 9,176,270</u>
Component unit school board capital assets, net	<u>\$ 8,857,917</u>	<u>\$ 1,391,171</u>	<u>\$ 418,816</u>	<u>\$ 9,830,272</u>

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COUNTY OF SURRY, VIRGINIA

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

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*Note 5—Capital Assets: (Continued)*

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Depreciation/amortization expense was charged to functions/programs as follows:

Governmental activities:		
General government administration	\$	302,353
Judicial administration		329,042
Public safety		375,294
Public works		65,364
Health and welfare		5,464
Education		70,585
Parks, recreation and cultural		121,580
Community development		<u>26,011</u>
Total Governmental activities	\$	<u>1,295,693</u>
Business-type activities	\$	<u>98,308</u>
Component Unit School Board	\$	<u>775,324</u>

Legislation enacted during the year ended June 30, 2002, Section 15.2-1800.1 of the Code of Virginia, 1950, as amended, has changed the reporting of local school capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments “on-behalf” of school boards was reported in the school board’s discrete column along with the related capital assets. Under the new law, local governments have a “tenancy in common” with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one fiscal year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the County of Surry, Virginia for the year ended June 30, 2025, is that school financed assets in the amount of \$4,336,999 are reported in the Primary Government for financial reporting purposes.

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COUNTY OF SURRY, VIRGINIA

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

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**Note 6—Interfund Transfers and Obligations:**

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ 175,000	\$ 2,501,984
Other governmental funds	80,000	-
Capital Projects Fund	2,381,344	175,000
Water and Sewer Fund	40,640	-
Total	<u>\$ 2,676,984</u>	<u>\$ 2,676,984</u>

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

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COUNTY OF SURRY, VIRGINIA

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

**Note 7—Long Term Obligations:**

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

**Primary Government:**

	Balance at July 1, 2024	Restatement	Restated Balance July 1, 2024	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2025	Amounts Due Within One Year
Governmental Activities:							
Incurred by County:							
Compensated absences (payable by General Fund)	\$ 677,694	\$ 567,801	\$ 1,245,495	\$ 174,731	\$ 124,550	\$ 1,295,676	\$ 129,568
Equipment purchase agreement	-	-	-	588,044	171,227	416,817	92,912
Lease revenue bonds	18,420,000	-	18,420,000	-	1,475,000	16,945,000	1,530,000
Bond premium	921,773	-	921,773	-	159,572	762,201	-
Net pension liability (payable by General Fund)	923,018	-	923,018	3,124,672	2,980,229	1,067,461	-
Net OPEB liabilities (payable by General Fund)	462,098	-	462,098	133,169	154,529	440,738	-
Landfill postclosure care	875,828	-	875,828	19,268	-	895,096	-
<b>Total incurred by County</b>	<b>\$22,280,411</b>	<b>\$ 567,801</b>	<b>\$22,848,212</b>	<b>\$ 4,039,884</b>	<b>\$ 5,065,107</b>	<b>\$21,822,989</b>	<b>\$ 1,752,480</b>
Incurred by School Board:							
General obligation bonds	\$ 1,045,000	\$ -	\$ 1,045,000	\$ -	\$ 185,000	\$ 860,000	\$ 200,000
Bond premium	17,420	-	17,420	-	3,484	13,936	-
<b>Total incurred by School Board</b>	<b>\$ 1,062,420</b>	<b>\$ -</b>	<b>\$ 1,062,420</b>	<b>\$ -</b>	<b>\$ 188,484</b>	<b>\$ 873,936</b>	<b>\$ 200,000</b>
<b>Total Governmental Activities</b>	<b>\$23,342,831</b>	<b>\$ 567,801</b>	<b>\$23,910,632</b>	<b>\$ 4,039,884</b>	<b>\$ 5,253,591</b>	<b>\$22,696,925</b>	<b>\$ 1,952,480</b>
<b>Total Primary Government Obligations</b>	<b>\$23,342,831</b>	<b>\$ 567,801</b>	<b>\$23,910,632</b>	<b>\$ 4,039,884</b>	<b>\$ 5,253,591</b>	<b>\$22,696,925</b>	<b>\$ 1,952,480</b>

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COUNTY OF SURRY, VIRGINIA

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

**Note 7—Long Term Obligations: (Continued)**

**Primary Government: (Continued)**

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

Year Ending June 30,	Governmental Activities					
	County Obligations				School Obligations	
	Lease Revenue Bonds		Equipment Purchase Agreement		General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 1,530,000	\$ 513,157	\$ 92,912	\$ 32,093	\$ 200,000	\$ 39,010
2027	1,585,000	461,692	100,066	24,939	210,000	28,305
2028	1,635,000	408,320	107,771	17,235	220,000	17,340
2029	1,305,000	359,336	116,068	8,937	230,000	5,865
2030	1,350,000	315,098	-	-	-	-
2031	1,400,000	268,179	-	-	-	-
2032	1,445,000	222,582	-	-	-	-
2033	1,485,000	181,485	-	-	-	-
2034	1,525,000	141,314	-	-	-	-
2035	1,570,000	99,265	-	-	-	-
2036	845,000	65,066	-	-	-	-
2037	405,000	44,034	-	-	-	-
2038	425,000	26,916	-	-	-	-
2039	440,000	9,075	-	-	-	-
Total	<u>\$ 16,945,000</u>	<u>\$ 3,115,520</u>	<u>\$ 416,817</u>	<u>\$ 83,204</u>	<u>\$ 860,000</u>	<u>\$ 90,520</u>

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COUNTY OF SURRY, VIRGINIA

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

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of long-term indebtedness are as follows:

<u>Governmental Activities</u>	<u>Total</u>
<u>Incurred by County:</u>	<u>Amount</u>
<u>Lease Revenue Bonds:</u>	
\$15,795,000 lease revenue bond issued November 18, 2014, payable in various annual installments through October 1, 2027, interest payable semi-annually at 4.125%-5.125%.	\$ 1,065,000
\$5,875,000 lease revenue bond issued November 14, 2018, payable in various annual installments through April 1, 2039, interest payable semi-annually at 3.028%-5.125%.	4,675,000
\$14,830,000 lease revenue bond issued November 18, 2020, payable in various annual installments through October 1, 2035, interest payable semi-annually at 0.404%-5.125%.	<u>11,205,000</u>
Total lease revenue bonds	<u>\$ 16,945,000</u>
<u>Equipment Purchase Agreement:</u>	
\$588,044 equipment purchase agreement financed November 20, 2024 through KS StateBank, payable at annual installments through December 20, 2028, interest payable annually at 7.564%	(a) \$ 416,817
Bond issuance premium	<u>\$ 762,201</u>
Landfill postclosure care (Note 17)	<u>\$ 895,096</u>
Net pension liability (payable by General Fund)	<u>\$ 1,067,461</u>
Net OPEB liabilities (payable by General Fund)	<u>\$ 440,738</u>
Compensated absences (payable by General Fund)	<u>\$ 1,295,676</u>
Total incurred by County	<u>\$ 21,822,989</u>

Notes:

- (a) Title to Verkada Security Access System held by the County. In the event of default, title to the system will automatically transfer to the Obligee.

COUNTY OF SURRY, VIRGINIA

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

**Note 7—Long-Term Obligations: (Continued)**

**Primary Government: (Continued)**

Details of long-term indebtedness are as follows: (continued)

Incurred by School Board:

General Obligation Bonds:

\$2,950,000 School Bond issued December 11, 2008 payable in various annual installments through January 15, 2029, interest payable semi-annually ranging from 4.10% to 5.35%.

Bond issuance premium

Total incurred by School Board

Total Long-Term Obligations, Governmental Activities

\$	860,000
\$	13,936
\$	873,936
\$	22,696,925

**Component Unit - School Board:**

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

	Balance at July 1, 2024	Restatement	Restated Balance at July 1, 2024	Increases	Decreases	Balance at June 30, 2025	Amounts Due Within One Year
Component Unit-School Board:							
Compensated absences (payable by School Fund)	\$ -	\$ 614,988	\$ 614,988	\$ 2,007,982	\$ 61,499	\$ 2,561,471	\$ 256,147
Net pension liability	8,552,075	-	8,552,075	3,897,047	4,838,723	7,610,399	-
Net OPEB liabilities	2,069,690	-	2,069,690	438,196	731,777	1,776,109	-
Lease liabilities	45,364	-	45,364	-	22,109	23,255	23,172
Total Component Unit-School Board	\$ 10,667,129	\$ 614,988	\$ 11,282,117	\$ 6,343,225	\$ 5,654,108	\$ 11,971,234	\$ 279,319

Details of long-term indebtedness:

Incurred by Component Unit - School Board:

Lease equipment:

\$104,819 copier lease issued July 1, 2021, due in monthly installments of \$1,890 through June 2026, interest at 3.25%.

\$2,686 office equipment lease issued July 1, 2021, due in monthly installments of \$48 through August 2026, interest at 3.25%.

Total Amount
\$ 22,609
646
\$ 23,255

COUNTY OF SURRY, VIRGINIA

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

**Note 7—Long-Term Obligations: (Continued)**

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

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

Year Ending June 30,	Lease Liabilities	
	Principal	Interest
2026	\$ 23,172	\$ 415
2027	83	-
Total	<u>\$ 23,255</u>	<u>\$ 415</u>

**Note 8—Deferred/Unavailable Revenue:**

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

	Government-wide	Balance Sheet
	Statements	Governmental
	Governmental	Governmental
	Activities	Funds
Deferred/Unavailable revenue:		
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 727,496
Prepaid property taxes due in December but paid in advance by taxpayers	10,987	10,987
Unavailable revenue representing opioid settlement income that is not available for funding of current expenditures	-	91,371
Total	<u>\$ 10,987</u>	<u>\$ 829,854</u>

COUNTY OF SURRY, VIRGINIA

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

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**Note 9—Arbitrage Liability:**

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The County is subject to federal arbitrage regulations as stipulated under Section 148 of the Internal Revenue Code, which requires issuers of tax-exempt debt to rebate to the U.S. Treasury any excess earnings on investment proceeds above the bond yield (arbitrage). Arbitrage liability arises when investment returns from tax-exempt bond proceeds exceed the allowable bond yield, creating a liability to remit excess earnings to the U.S. Treasury.

As of June 30, 2025, the County has accrued a liability for arbitrage rebate in the amount of \$490,137. This liability reflects the estimated excess investment earnings on outstanding tax-exempt debt based on current calculations and is included in accounts payables.

**Note 10—Litigation:**

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At June 30, 2025, there were no matters of litigation involving the County that would materially affect the County's financial position should any court decisions on pending matters not be favorable to such entities.

**Note 11—Risk Management:**

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

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

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

The County and School Board also participate with other localities in a public entity risk pool for their coverage of general liability and auto insurance with Virginia Municipal League and public officials liability with the Virginia Association of Counties Group Self Insurance Risk Pool. The County and School Board pay an annual premium to the pools for general insurance through member premiums. The County and 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 12—Pension Plans:**

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**Plan Description**

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

**Note 12—Pension Plans: (Continued)**

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

**Average Final Compensation and Service Retirement Multiplier**

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

COUNTY OF SURRY, VIRGINIA

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

*Note 12—Pension Plans: (Continued)*

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

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

**Employees Covered by Benefit Terms**

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

	<u>Primary Government</u>	<u>Component Unit School Board Nonprofessional</u>
Inactive members or their beneficiaries currently receiving benefits	73	76
Inactive members:		
Vested inactive members	15	5
Non-vested inactive members	21	15
Inactive members active elsewhere in VRS	49	10
Total inactive members	85	30
Active members	98	40
Total covered employees	<u>256</u>	<u>146</u>

**Contributions**

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

The County’s contractually required employer contribution rate for the year ended June 30, 2025 was 9.61% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$591,702 and \$589,068 for the years ended June 30, 2025 and June 30, 2024, respectively.

COUNTY OF SURRY, VIRGINIA

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

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*Note 12—Pension Plans: (Continued)*

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*Contributions (Continued)*

The Component Unit School Board’s contractually employer required contribution rate for nonprofessional employees for the year ended June 30, 2025 was 9.96% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board’s nonprofessional employees were \$119,752 and \$110,190 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$29,568 and \$3,371 for the County and School Board, respectively, for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$29,579 and \$18,941 for the County and School Board, respectively, for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$2,851,259 and \$513,659 for the County and School Board, respectively, for the year ended June 30, 2025.

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

*Actuarial Assumptions - General Employees*

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

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

COUNTY OF SURRY, VIRGINIA

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

*Note 12—Pension Plans: (Continued)*

*Actuarial Assumptions - General Employees (Continued)*

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

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

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

COUNTY OF SURRY, VIRGINIA

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

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*Note 12—Pension Plans: (Continued)*

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

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

Inflation	2.50%
Salary increases, including inflation	3.50% - 4.75%
Investment rate of return	6.75%, net of pension plan investment expense, 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, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

COUNTY OF SURRY, VIRGINIA

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

*Note 12—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

*Long-Term Expected Rate of Return*

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

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

*Note 12—Pension Plans: (Continued)*

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*Long-Term Expected Rate of Return (Continued)*

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

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

*Discount Rate*

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

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COUNTY OF SURRY, VIRGINIA

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

*Note 12—Pension Plans: (Continued)*

*Changes in Net Pension Liability*

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	\$ 23,027,982	\$ 22,104,964	\$ 923,018
Changes for the year:			
Service cost	\$ 623,297	\$ -	\$ 623,297
Interest	1,545,516	-	1,545,516
Differences between expected and actual experience	941,474	-	941,474
Contributions - employer	-	589,481	(589,481)
Contributions - employee	-	270,653	(270,653)
Net investment income	-	2,119,668	(2,119,668)
Benefit payments, including refunds			
Refunds of employee contributions	(1,509,488)	(1,509,488)	-
Administrative expenses	-	(14,385)	14,385
Other changes	-	427	(427)
Net changes	\$ 1,600,799	\$ 1,456,356	\$ 144,443
Balances at June 30, 2024	\$ 24,628,781	\$ 23,561,320	\$ 1,067,461

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COUNTY OF SURRY, VIRGINIA

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

*Note 12—Pension Plans: (Continued)*

*Changes in Net Pension Liability (Continued)*

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	\$ 6,728,862	\$ 6,286,808	\$ 442,054
Changes for the year:			
Service cost	\$ 93,929	\$ -	\$ 93,929
Interest	446,996	-	446,996
Differences between expected and actual experience	275,043	-	275,043
Contributions - employer	-	110,189	(110,189)
Contributions - employee	-	50,376	(50,376)
Net investment income	-	600,764	(600,764)
Benefit payments, including refunds			
Refunds of employee contributions	(401,246)	(401,246)	-
Administrative expenses	-	(4,160)	4,160
Other changes	-	118	(118)
Net changes	\$ 414,722	\$ 356,041	\$ 58,681
Balances at June 30, 2024	\$ 7,143,584	\$ 6,642,849	\$ 500,735

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County's			
Net Pension Liability (Asset)	\$ 3,988,752	\$ 1,067,461	\$ (1,318,605)
Component Unit School Board (nonprofessional)'s			
Net Pension Liability (Asset)	\$ 1,272,141	\$ 500,735	\$ (152,905)

COUNTY OF SURRY, VIRGINIA

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

**Note 12—Pension Plans: (Continued)**

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

For the year ended June 30, 2025, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$180,944 and \$81,923, respectively. At June 30, 2025, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 612,287	\$ 65,132	\$ 114,199	\$ -
Change in assumptions	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	618,015	-	177,878
Employer contributions subsequent to the measurement date	591,702	-	119,752	-
Total	\$ 1,203,989	\$ 683,147	\$ 233,951	\$ 177,878

\$591,702 and \$119,752 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2026	\$ (281,962)	\$ (45,469)
2027	459,258	52,119
2028	(118,162)	(33,398)
2029	(129,994)	(36,931)
2030	-	-
Thereafter	-	-

***Pension Plan Data***

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

COUNTY OF SURRY, VIRGINIA

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

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*Note 12—Pension Plans: (Continued)*

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**Component Unit School Board (professional)**

***Plan Description***

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

***Contributions***

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2025 was 14.21% of covered employee compensation. This was the General Assembly approved rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$1,162,188 and \$1,277,494 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$19,222 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$247,524 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$2,772,108 for the year ended June 30, 2025.

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

At June 30, 2024, the school division reported a liability of \$7,109,664 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2024 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division's proportion was 0.07574% as compared to 0.08024% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized pension expense of \$237,718. 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 SURRY, VIRGINIA

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

*Note 12—Pension Plans: (Continued)*

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

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,233,427	\$ 146,393
Change in assumptions	129,050	-
Net difference between projected and actual earnings on pension plan investments	-	978,650
Changes in proportion and differences between employer contributions and proportionate share of contributions	833	609,273
Employer contributions subsequent to the measurement date	<u>1,162,188</u>	<u>-</u>
Total	<u>\$ 2,525,498</u>	<u>\$ 1,734,316</u>

\$1,162,188 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2026	\$ (696,238)
2027	460,767
2028	10,685
2029	(146,220)
2030	-
Thereafter	-

***Actuarial Assumptions***

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

COUNTY OF SURRY, VIRGINIA

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

*Note 12—Pension Plans: (Continued)*

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

***Actuarial Assumptions (Continued)***

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

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

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

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

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

COUNTY OF SURRY, VIRGINIA

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

*Note 12—Pension Plans: (Continued)*

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

***Net Pension Liability***

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

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

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

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

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

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

	<b>Rate</b>		
	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
	<u>(5.75%)</u>	<u>(6.75%)</u>	<u>(7.75%)</u>
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset) \$	13,208,363	\$ 7,109,664	\$ 2,115,024

COUNTY OF SURRY, VIRGINIA

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

**Note 12—Pension Plans: (Continued)**

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

***Pension Plan Fiduciary Net Position***

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

**Primary Government and Component Unit School Board**

***Aggregate Pension Information***

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:								
Primary Government	\$ 1,203,989	\$ 683,147	\$ 1,067,461	\$ 180,944	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	233,951	177,878	500,735	81,923
School Board Professional	-	-	-	-	2,525,498	1,734,316	7,109,664	237,718
Totals	\$ 1,203,989	\$ 683,147	\$ 1,067,461	\$ 180,944	\$ 2,759,449	\$ 1,912,194	\$ 7,610,399	\$ 319,641

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

***Plan Description***

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

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Plan. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members’ paychecks and pay the premiums to the insurer. Since this is a separate and fully insured 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:

***Eligible Employees***

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

COUNTY OF SURRY, VIRGINIA

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

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

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***Benefit Amounts***

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

***Contributions***

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% x 60%) and the employer component was 0.47% (1.18% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2025, was 0.47% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the County were \$28,939 and \$32,071 for the years ended June 30, 2025 and June 30, 2024, respectively.

Contributions to the GLI Plan from the Component Unit School Board professional group were \$38,505 and \$43,374 for the years ended June 30, 2025 and June 30, 2024, respectively. Contributions to the GLI Plan from the Component Unit School Board nonprofessional group were \$5,737 and \$6,039 for the years ended June 30, 2025 and June 30, 2024, respectively.

COUNTY OF SURRY, VIRGINIA

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

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

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

At June 30, 2025, the County reported a liability of \$258,113 for its proportionate share of the Net GLI OPEB Liability. The Component Unit School Board professional and nonprofessional groups reported liabilities of \$349,060 and \$48,654, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. The covered employer’s proportion of the Net GLI OPEB Liability was based on the covered employer’s actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the County’s proportion was 0.02313% as compared to 0.02328% at June 30, 2023. At June 30, 2024, the Component Unit School Board professional and nonprofessional groups’ proportion was 0.03128% and 0.00436%, respectively as compared to 0.03378% and 0.00461%, respectively at June 30, 2023.

For the year ended June 30, 2024, the County recognized GLI OPEB expense of \$9,371. For the year ended June 30, 2024, the Component Unit School Board professional group recognized GLI OPEB expense of (\$16,908). For the year ended June 30, 2024, the Component Unit School Board nonprofessional group recognized GLI OPEB expense of (\$361). Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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

	Primary Government		Component School Board (professional)		Component School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 40,710	\$ 6,305	\$ 55,055	\$ 8,526	\$ 7,674	\$ 1,188
Net difference between projected and actual earnings on GLI OPEB plan investments	-	21,756	-	29,422	-	4,101
Change in assumptions	1,471	12,792	1,990	17,299	277	2,411
Changes in proportionate share	10,815	3,664	-	54,982	623	5,487
Employer contributions subsequent to the measurement date	28,939	-	38,505	-	5,737	-
Total	\$ 81,935	\$ 44,517	\$ 95,550	\$ 110,229	\$ 14,311	\$ 13,187

COUNTY OF SURRY, VIRGINIA

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

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

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

\$28,939, \$38,505, and \$5,737, respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the County, Component Unit School Board professional and nonprofessional group’s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>Primary Government</u>	<u>Component Unit School Board (professional)</u>	<u>Component Unit School Board (nonprofessional)</u>
2026	\$ (8,131)	\$ (36,386)	\$ (3,459)
2027	6,704	(6,272)	(481)
2028	3,099	(7,548)	(641)
2029	3,069	(3,877)	(331)
2030	3,739	898	299
Thereafter	-	-	-

*Actuarial Assumptions*

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

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

COUNTY OF SURRY, VIRGINIA

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

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

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*Actuarial Assumptions (Continued)*

**Mortality Rates - Teachers**

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions 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 SURRY, VIRGINIA

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

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

*Actuarial Assumptions (Continued)*

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

COUNTY OF SURRY, VIRGINIA

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

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

*Actuarial Assumptions (Continued)*

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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

COUNTY OF SURRY, VIRGINIA

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

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

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**NET GLI OPEB Liability**

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

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

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

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COUNTY OF SURRY, VIRGINIA

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

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

**Long-Term Expected Rate of Return**

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

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

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

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

COUNTY OF SURRY, VIRGINIA

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

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

**Discount Rate**

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's proportionate share of the GLI Plan Net OPEB Liability	\$ 401,399	\$ 258,113	\$ 142,356
Component School Board (professional)'s proportionate share of the GLI Plan Net OPEB Liability	\$ 542,834	\$ 349,060	\$ 192,517
Component School Board (nonprofessional)'s proportionate share of the GLI Plan Net OPEB Liability	\$ 75,664	\$ 48,654	\$ 26,834

**GLI Plan Fiduciary Net Position**

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

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

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***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.

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COUNTY OF SURRY, VIRGINIA

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

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

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***Employees Covered by Benefit Terms***

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	16
Vested inactive members	9
Active members	<u>40</u>
Total covered employees	<u><u>65</u></u>

***Contributions***

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The School Board’s contractually required employer contribution rate for the year ended June 30, 2025 was 1.44% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Board to the HIC Plan were \$17,314 and \$15,965 for the years ended June 30, 2025 and June 30, 2024, respectively.

***Net HIC OPEB Liability***

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

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COUNTY OF SURRY, VIRGINIA

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

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

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*Actuarial Assumptions*

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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COUNTY OF SURRY, VIRGINIA

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

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

**Actuarial Assumptions (Continued)**

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

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

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

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

**Beneficiaries and Survivors:**

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

**Mortality Improvement Scale:**

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

COUNTY OF SURRY, VIRGINIA

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

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

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*Actuarial Assumptions (Continued)*

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

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

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

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COUNTY OF SURRY, VIRGINIA

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

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

**Long-Term Expected Rate of Return**

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

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

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

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

COUNTY OF SURRY, VIRGINIA

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

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

**Discount Rate**

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

**Changes in Net HIC OPEB Liability**

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 106,838	\$ 30,321	\$ 76,517
Changes for the year:			
Service cost	\$ 1,068	\$ -	\$ 1,068
Interest	7,081	-	7,081
Differences between expected and actual experience	10,038	-	10,038
Assumption changes	-	-	-
Contributions - employer	-	15,966	(15,966)
Net investment income	-	3,431	(3,431)
Benefit payments	(5,997)	(5,997)	-
Administrative expenses	-	(51)	51
Other changes	-	(1)	1
Net changes	\$ 12,190	\$ 13,348	\$ (1,158)
Balances at June 30, 2024	\$ 119,028	\$ 43,669	\$ 75,359

COUNTY OF SURRY, VIRGINIA

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

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School Board's Net HIC OPEB Liability	\$ 87,731	\$ 75,359	\$ 64,803

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

For the year ended June 30, 2025, the School Board recognized HIC Plan OPEB expense of (\$16,664). At June 30, 2025, the School Board reported deferred outflows of resources and deferred inflows of resources related to the School Board’s HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,280	\$ 48,349
Net difference between projected and actual earnings on HIC OPEB plan investments	1,125	488
Change in assumptions	-	-
Employer contributions subsequent to the measurement date	17,314	-
Total	\$ 25,719	\$ 48,837

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COUNTY OF SURRY, VIRGINIA

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

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

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

\$17,314 reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2026	\$ (22,938)
2027	(18,858)
2028	1,573
2029	(209)
2030	-
Thereafter	-

**HIC Plan Data**

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

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

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**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.

COUNTY OF SURRY, VIRGINIA

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

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

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*Plan Description (Continued)*

The specific information for the Teacher HIC 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, 2025 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$98,962 and \$96,868 for the years ended June 30, 2025 and June 30, 2024, respectively.

COUNTY OF SURRY, VIRGINIA

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

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

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

At June 30, 2025, the school division reported a liability of \$863,500 its proportionate share of the VRS Teacher Employee HIC Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2024 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, 2023 and rolled forward to the measurement date of June 30, 2024. The school division’s proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division’s actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division’s proportion of the VRS Teacher Employee HIC was 0.07472% as compared to 0.07950% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized VRS Teacher Employee HIC OPEB expense of \$20,150. 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, 2025, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 40,911
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	3,072
Change in assumptions	14,876	-
Change in proportionate share and differences between actual and expected contributions	14	138,960
Employer contributions subsequent to the measurement date	<u>98,962</u>	<u>-</u>
Total	<u>\$ 113,852</u>	<u>\$ 182,943</u>

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COUNTY OF SURRY, VIRGINIA

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

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

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

\$98,962 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2026	\$ (50,140)
2027	(41,091)
2028	(30,568)
2029	(21,816)
2030	(15,824)
Thereafter	(8,613)

**Actuarial Assumptions**

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

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

**Mortality Rates - Teachers**

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

COUNTY OF SURRY, VIRGINIA

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

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

**Actuarial Assumptions (Continued)**

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

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

**Net Teacher Employee HIC OPEB Liability**

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

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

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

COUNTY OF SURRY, VIRGINIA

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

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

**Long-Term Expected Rate of Return**

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

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

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

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

COUNTY OF SURRY, VIRGINIA

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

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

**Discount Rate**

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division’s proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 982,015	\$ 863,500	\$ 763,048

**Teacher Employee HIC OPEB Fiduciary Net Position**

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

COUNTY OF SURRY, VIRGINIA

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

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

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**County and School Board**

***Plan Description***

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

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

***Benefits Provided***

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

Postemployment benefits that are provided to eligible retirees include medical and dental insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the School Board who meet eligibility requirements of the pension plan are eligible to receive post-employment health care benefits. Retirees and spouses that became eligible for Medicare are no longer eligible to participate in the Surry County Public School’s retiree medical plan.

***Plan Membership***

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

	Primary Government	Component Unit School Board
Total active employees with coverage	120	172
Total retirees with coverage	1	1
Total	121	173

***Contributions***

The County nor the School Board pre-funds benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County or School Board. The amount paid by the County and the School Board for OPEB as the benefits came due during the year ended June 30, 2025 was \$7,366 and \$11,240, respectively.

***Total OPEB Liability***

The County and School Board’s total OPEB liability was measured as of June 30, 2025.

COUNTY OF SURRY, VIRGINIA

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

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

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**County and School Board: (Continued)**

**Actuarial Assumptions**

The County’s total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	5.35% decreasing to 3.50%
Discount Rate	5.20% based on Bond Buyer 20-Year Bond GO Index

The School Board’s total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	5.35% decreasing to 3.50%
Discount Rate	5.20% based on Bond Buyer 20-Year Bond GO Index

County -

Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years. Based rates are projected generationally with a Modified MP-2020 improvement Scale that is 75% of the MP-2020 rates, 25% of deaths are assumed to be service-related.

Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females. Based rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

Post-Disablement: Pub-2010 Amount Weighed General Disabled Rates projected generationally; males and females set forward 3 years. Base rates are projected generationally with a Modified MP-2020 Improvement Sale that is 75% of the MP-2020 rates.

Schools -

Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years. Base rates are projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. 25% of deaths are assumed to be service-related.

Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females. Based rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

Post-Disablement: Pub-2010 Amount Weighed General Disabled Rates projected generationally; males and females set forward 3 years. Base rates are projected generationally with a Modified MP-2020 Improvement Sale that is 75% of the MP-2020 rates.

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

COUNTY OF SURRY, VIRGINIA

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

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

**County and School Board: (Continued)**

**Discount Rate**

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is based on the Bond Buyer 20-Year Bond GO Index. The final equivalent single discount rate used for this year’s valuation is 5.20% as of the end of June 30, 2025 with the expectation that the County and School Board will continue paying the pay-as-you-go cost.

**Changes in Total OPEB Liability**

	Primary Government Total OPEB Liability	Component Unit School Board Total OPEB Liability
Balances at June 30, 2024	\$ 182,898	\$ 570,165
Changes for the year:		
Service cost	20,689	26,198
Interest	7,858	23,218
Effect of economic/demographic gains or losses	-	(81,190)
Changes in assumptions	(21,454)	(87,615)
Benefit payments	(7,366)	(11,240)
Net changes	\$ (273)	\$ (130,629)
Balances at June 30, 2025	\$ 182,625	\$ 439,536

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

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

	Rate		
	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
<b>Primary Government:</b>			
Total OPEB liability	\$ 199,344	\$ 182,625	\$ 167,244
<b>Component Unit School Board:</b>			
Total OPEB liability	\$ 471,806	\$ 439,536	\$ 408,944

COUNTY OF SURRY, VIRGINIA

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

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

**County and School Board: (Continued)**

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

The following presents the total OPEB liability of the County and School Board, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (4.40% decreasing to 2.90%) or one percentage point higher (6.40% decreasing to 4.90%) than the current healthcare cost trend rates:

	<b>Rates</b>		
	<b>Healthcare Cost</b>		
	<b>1% Decrease</b>	<b>Current Trend Rate</b>	<b>1% Increase</b>
<b>Primary Government:</b>			
Total OPEB liability	\$ 156,820	\$ 182,625	\$ 213,262
<b>Component Unit School Board:</b>			
Total OPEB liability	\$ 391,306	\$ 439,536	\$ 495,026

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

For the year ended June 30, 2025, the County and the School Board recognized OPEB expense in the amount of \$37,609 and \$98. At June 30, 2025, the County and the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Primary Government</b>		<b>Component Unit School Board</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 35,515	\$ 5,321	\$ -	\$ 97,415
Changes in assumptions	-	32,110	37,481	78,523
Total	<u>\$ 35,515</u>	<u>\$ 37,431</u>	<u>\$ 37,481</u>	<u>\$ 175,938</u>

COUNTY OF SURRY, VIRGINIA

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

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

**County and School Board: (Continued)**

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

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

Year Ended June 30	Primary Government	Component Unit School Board
2026	\$ 9,062	\$ (40,257)
2027	748	(36,680)
2028	(11,726)	(36,375)
2029	-	(25,145)
2030	-	-
Thereafter	-	-

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

**Note 17 - Summary of Other Postemployment Benefit Plans:**

**Primary Government and Component Unit School Board**

**Aggregate OPEB Information**

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense
VRS OPEB Plans:								
Group Life Insurance Program (Note 13):								
County	\$ 81,935	\$ 44,517	\$ 258,113	\$ 9,371	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	14,311	13,187	48,654	(361)
School Board Professional	-	-	-	-	95,550	110,229	349,060	(16,908)
Health Insurance Credit Program (Note 14):								
School Board Nonprofessional	-	-	-	-	25,719	48,837	75,359	(16,664)
Teacher Health Insurance Credit Program (Note 15)	-	-	-	-	113,852	182,943	863,500	20,150
County Stand-Alone Plan (Note 16)	35,515	37,431	182,625	37,609	-	-	-	-
School Stand-Alone Plan (Note 16)	-	-	-	-	37,481	175,938	439,536	98
Totals	<u>\$ 117,450</u>	<u>\$ 81,948</u>	<u>\$ 440,738</u>	<u>\$ 46,980</u>	<u>\$ 286,913</u>	<u>\$ 531,134</u>	<u>\$ 1,776,109</u>	<u>\$ (13,685)</u>

COUNTY OF SURRY, VIRGINIA

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

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**Note 18—Surety Bonds:**

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	Amount
Division of Risk Management Surety Bond:	
Commonwealth Funds	
Gail P. Clayton, Clerk of the Circuit Court	\$ 380,000
Onike Ruffin, Treasurer	300,000
Jonathan F. Judkins, Commissioner of the Revenue	3,000
Carlos Turner, Sheriff	30,000
The Continental Insurance Company-Surety:	
All Social Services Employees-blanket bond	100,000

**Note 19—Landfill Closure and Postclosure Care Cost:**

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The \$895,096 reported as landfill postclosure liability at June 30, 2025, represents the estimated liability for postclosure monitoring. This amount is based on what it would cost to perform all postclosure care in 2024 over a remaining period of 16 years. Actual costs may be higher due to inflation, changes in technology or changes in regulations. As of June 30, 2025, 100% of the landfill’s total capacity has been used. The landfill was closed and capped in 1998.

The County has demonstrated financial assurance requirements for closure, postclosure 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 - Line of Duty Act (LODA) (OPEB Benefits):**

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

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

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The County’s LODA coverage is fully covered or “insured” through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The County’s LODA premium for the year ended June 30, 2025 was \$9,463.

**Note 21—Change in Accounting Principle:**

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During the year ended June 30, 2025, the County implemented GASB Statement No. 101, *Compensated Absences*. This Statement establishes recognition and measurement guidance for compensated absences that are attributable to services already rendered and that are expected to be paid or settled. Implementation of this

COUNTY OF SURRY, VIRGINIA

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

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**Note 21—Change in Accounting Principle: (Continued)**

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Statement required the recognition of a liability for certain leave benefits previously unrecorded or measured differently under prior standards.

The adoption of GASB 101 resulted in a restatement of beginning net position and fund balance as shown in Note 24 below.

**Note 22—Restatement of Beginning Balances:**

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

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

	Net Position	
	Governmental Activities	School Board
Balance, June 30, 2024, as previously stated	\$ 33,724,199	\$ 126,910
Implementation of GASB 101:		
Compensated absences liability	(567,801)	(614,988)
Balance, July 1, 2024, as restated	<u>\$ 33,156,398</u>	<u>\$ (488,078)</u>

**Note 23—Subsequent Event:**

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On August 20, 2025, Surry County issued a lease revenue bond in the amount of \$5,000,000.

**Note 24—Upcoming Pronouncements:**

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

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

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

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

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
General property taxes	\$ 26,949,275	\$ 26,949,275	\$ 28,969,765	\$ 2,020,490
Other local taxes	1,272,000	1,272,000	2,647,320	1,375,320
Permits, privilege fees, and regulatory licenses	108,700	108,700	517,139	408,439
Fines and forfeitures	45,000	45,000	54,618	9,618
Revenue from the use of money and property	463,187	463,187	602,112	138,925
Charges for services	252,200	252,200	368,291	116,091
Miscellaneous	675,012	739,777	278,449	(461,328)
Recovered costs	137,200	137,200	160,215	23,015
Intergovernmental:				
Commonwealth	3,382,478	3,564,281	3,105,003	(459,278)
Federal	894,533	982,333	2,511,423	1,529,090
Total revenues	\$ 34,179,585	\$ 34,513,953	\$ 39,214,335	\$ 4,700,382
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 3,996,195	\$ 4,592,842	\$ 4,353,337	\$ 239,505
Judicial administration	889,221	894,421	866,017	28,404
Public safety	5,290,256	5,493,016	4,798,262	694,754
Public works	1,722,704	1,674,939	1,567,677	107,262
Health and welfare	3,328,738	3,416,120	3,144,107	272,013
Education	13,074,060	13,414,060	12,809,697	604,363
Parks, recreation, and cultural	706,095	678,125	658,233	19,892
Community development	1,482,350	1,233,200	1,167,696	65,504
Debt service:				
Principal retirement	1,660,000	1,660,000	1,831,227	(171,227)
Interest and other fiscal charges	635,026	635,026	615,797	19,229
Total expenditures	\$ 32,784,645	\$ 33,691,749	\$ 31,812,050	\$ 1,879,699
Excess (deficiency) of revenues over (under) expenditures	\$ 1,394,940	\$ 822,204	\$ 7,402,285	\$ 6,580,081
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ 175,000	\$ 175,000
Transfers out	(1,394,940)	(2,582,182)	(2,501,984)	80,198
Total other financing sources (uses)	\$ (1,394,940)	\$ (2,582,182)	\$ (2,326,984)	\$ 255,198
Net change in fund balances	\$ -	\$ (1,759,978)	\$ 5,075,301	\$ 6,835,279
Fund balances - beginning	-	1,759,978	20,855,297	19,095,319
Fund balances - ending	\$ -	\$ -	\$ 25,930,598	\$ 25,930,598

County of Surry, Virginia  
Schedule of Changes in Net Pension Liability and Related Ratios  
Primary Government  
For the Measurement Dates of June 30, 2015 through June 30, 2024

	2024	2023	2022	2021
<b>Total pension liability</b>				
Service cost	\$ 623,297	\$ 570,253	\$ 499,764	\$ 514,410
Interest	1,545,516	1,502,674	1,506,421	1,402,289
Differences between expected and actual experience	941,474	(74,468)	(700,568)	(175,068)
Assumption changes	-	-	-	740,492
Benefit payments	(1,509,488)	(1,324,110)	(1,539,146)	(1,339,233)
<b>Net change in total pension liability</b>	<b>\$ 1,600,799</b>	<b>\$ 674,349</b>	<b>\$ (233,529)</b>	<b>\$ 1,142,890</b>
<b>Total pension liability - beginning</b>	<b>23,027,982</b>	<b>22,353,633</b>	<b>22,587,162</b>	<b>21,444,272</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 24,628,781</b>	<b>\$ 23,027,982</b>	<b>\$ 22,353,633</b>	<b>\$ 22,587,162</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 589,481	\$ 551,823	\$ 551,061	\$ 500,868
Contributions - employee	270,653	252,341	239,673	227,268
Net investment income	2,119,668	1,359,172	(13,561)	4,805,959
Benefit payments	(1,509,488)	(1,324,110)	(1,539,146)	(1,339,233)
Administrator charges	(14,385)	(13,666)	(13,829)	(12,195)
Other	427	547	500	453
<b>Net change in plan fiduciary net position</b>	<b>\$ 1,456,356</b>	<b>\$ 826,107</b>	<b>\$ (775,302)</b>	<b>\$ 4,183,120</b>
<b>Plan fiduciary net position - beginning</b>	<b>22,104,964</b>	<b>21,278,857</b>	<b>22,054,159</b>	<b>17,871,039</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 23,561,320</b>	<b>\$ 22,104,964</b>	<b>\$ 21,278,857</b>	<b>\$ 22,054,159</b>
<b>County's net pension liability - ending (a) - (b)</b>	<b>\$ 1,067,461</b>	<b>\$ 923,018</b>	<b>\$ 1,074,776</b>	<b>\$ 533,003</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>95.67%</b>	<b>95.99%</b>	<b>95.19%</b>	<b>97.64%</b>
<b>Covered payroll</b>	<b>\$ 5,939,091</b>	<b>\$ 5,483,610</b>	<b>\$ 5,008,676</b>	<b>\$ 4,562,873</b>
<b>County's net pension liability as a percentage of covered payroll</b>	<b>17.97%</b>	<b>16.83%</b>	<b>21.46%</b>	<b>11.68%</b>

Exhibit 13

2020	2019	2018	2017	2016	2015
\$ 512,614	\$ 446,163	\$ 434,320	\$ 434,734	\$ 417,603	\$ 411,340
1,317,296	1,286,442	1,220,918	1,170,206	1,139,509	1,132,119
720,316	108,825	413,745	124,012	(23,768)	(553,229)
-	557,716	-	29,310	-	-
(1,242,904)	(1,279,883)	(985,962)	(1,081,657)	(1,107,975)	(661,340)
\$ 1,307,322	\$ 1,119,263	\$ 1,083,021	\$ 676,605	\$ 425,369	\$ 328,890
20,136,950	19,017,687	17,934,666	17,258,061	16,832,692	16,503,802
<u>\$ 21,444,272</u>	<u>\$ 20,136,950</u>	<u>\$ 19,017,687</u>	<u>\$ 17,934,666</u>	<u>\$ 17,258,061</u>	<u>\$ 16,832,692</u>
\$ 354,709	\$ 337,827	\$ 273,087	\$ 272,074	\$ 361,721	\$ 362,868
225,025	315,066	207,895	219,825	189,642	191,927
343,387	1,156,309	1,241,488	1,883,572	263,004	703,835
(1,242,904)	(1,279,883)	(985,962)	(1,081,657)	(1,107,975)	(661,340)
(12,011)	(11,909)	(10,908)	(11,235)	(10,178)	(9,603)
(403)	(727)	(1,098)	(1,658)	(115)	(147)
\$ (332,197)	\$ 516,683	\$ 724,502	\$ 1,280,921	\$ (303,901)	\$ 587,540
18,203,236	17,686,553	16,962,051	15,681,130	15,985,031	15,397,491
<u>\$ 17,871,039</u>	<u>\$ 18,203,236</u>	<u>\$ 17,686,553</u>	<u>\$ 16,962,051</u>	<u>\$ 15,681,130</u>	<u>\$ 15,985,031</u>
\$ 3,573,233	\$ 1,933,714	\$ 1,331,134	\$ 972,615	\$ 1,576,931	\$ 847,661
83.34%	90.40%	93.00%	94.58%	90.86%	94.96%
\$ 4,623,636	\$ 4,269,888	\$ 4,160,375	\$ 4,037,279	\$ 3,876,167	\$ 3,902,373
77.28%	45.29%	32.00%	24.09%	40.68%	21.72%

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

	2024	2023	2022	2021
<b>Total pension liability</b>				
Service cost	\$ 93,929	\$ 91,066	\$ 80,112	\$ 91,901
Interest	446,996	444,739	445,604	426,687
Differences between expected and actual experience	275,043	(108,849)	(145,178)	(153,021)
Assumption changes	-	-	-	244,763
Benefit payments	(401,246)	(391,521)	(417,076)	(403,321)
<b>Net change in total pension liability</b>	<u>\$ 414,722</u>	<u>\$ 35,435</u>	<u>\$ (36,538)</u>	<u>\$ 207,009</u>
<b>Total pension liability - beginning</b>	6,728,862	6,693,427	6,729,965	6,522,956
<b>Total pension liability - ending (a)</b>	<u><u>\$ 7,143,584</u></u>	<u><u>\$ 6,728,862</u></u>	<u><u>\$ 6,693,427</u></u>	<u><u>\$ 6,729,965</u></u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 110,189	\$ 107,312	\$ 119,633	\$ 101,745
Contributions - employee	50,376	48,786	47,900	44,284
Net investment income	600,764	388,530	(4,449)	1,404,626
Benefit payments	(401,246)	(391,521)	(417,076)	(403,321)
Administrator charges	(4,160)	(3,976)	(4,013)	(3,645)
Other	118	156	144	131
<b>Net change in plan fiduciary net position</b>	<u>\$ 356,041</u>	<u>\$ 149,287</u>	<u>\$ (257,861)</u>	<u>\$ 1,143,820</u>
<b>Plan fiduciary net position - beginning</b>	6,286,808	6,137,521	6,395,382	5,251,562
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 6,642,849</u></u>	<u><u>\$ 6,286,808</u></u>	<u><u>\$ 6,137,521</u></u>	<u><u>\$ 6,395,382</u></u>
<b>School Division's net pension liability - ending (a) - (b)</b>	\$ 500,735	\$ 442,054	\$ 555,906	\$ 334,583
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	92.99%	93.43%	91.69%	95.03%
<b>Covered payroll</b>	\$ 1,108,705	\$ 1,075,193	\$ 1,022,911	\$ 958,513
<b>School Division's net pension liability as a percentage of covered payroll</b>	45.16%	41.11%	54.35%	34.91%

Exhibit 14

	2020	2019	2018	2017	2016	2015
\$	86,517	\$ 88,702	\$ 86,110	\$ 99,250	\$ 101,589	\$ 104,105
	411,302	420,410	404,448	401,621	407,137	400,493
	140,842	(140,755)	171,557	(44,242)	(175,816)	(4,521)
	-	155,642	-	(3,930)	-	-
	(418,145)	(454,841)	(413,322)	(411,306)	(412,126)	(398,190)
\$	220,516	\$ 69,158	\$ 248,793	\$ 41,393	\$ (79,216)	\$ 101,887
	6,302,440	6,233,282	5,984,489	5,943,096	6,022,312	5,920,425
\$	<u>6,522,956</u>	<u>6,302,440</u>	<u>6,233,282</u>	<u>5,984,489</u>	<u>5,943,096</u>	<u>6,022,312</u>
\$	100,999	\$ 98,289	\$ 95,668	\$ 96,895	\$ 118,759	\$ 120,248
	45,828	72,395	44,917	45,755	46,721	47,557
	102,030	344,493	381,041	587,284	82,954	228,563
	(418,145)	(454,841)	(413,322)	(411,306)	(412,126)	(398,190)
	(3,631)	(3,598)	(3,443)	(3,581)	(3,252)	(3,306)
	(118)	(217)	(333)	(514)	(36)	(49)
\$	(173,037)	\$ 56,521	\$ 104,528	\$ 314,533	\$ (166,980)	\$ (5,177)
	5,424,599	5,368,078	5,263,550	4,949,017	5,115,997	5,121,174
\$	<u>5,251,562</u>	<u>5,424,599</u>	<u>5,368,078</u>	<u>5,263,550</u>	<u>4,949,017</u>	<u>5,115,997</u>
\$	1,271,394	\$ 877,841	\$ 865,204	\$ 720,939	\$ 994,079	\$ 906,315
	80.51%	86.07%	86.12%	87.95%	83.27%	84.95%
\$	996,677	\$ 961,628	\$ 960,932	\$ 960,463	\$ 960,773	\$ 962,804
	127.56%	91.29%	90.04%	75.06%	103.47%	94.13%

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

Exhibit 15

Date (1)	Employer's Proportion of the Net Pension Liability (Asset) (2)	Employer's Proportionate Share of the Net Pension Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (6)
2024	0.07574%	\$ 7,109,664	\$ 8,005,637	88.81%	84.52%
2023	0.08024%	8,110,021	7,922,783	102.36%	82.45%
2022	0.08235%	7,840,213	7,614,524	102.96%	82.61%
2021	0.08267%	6,417,753	7,282,875	88.12%	85.46%
2020	0.08510%	12,379,919	7,422,403	166.79%	71.47%
2019	0.09342%	12,294,603	7,795,885	157.71%	73.51%
2018	0.09847%	11,580,000	7,942,962	145.79%	74.81%
2017	0.10080%	12,396,000	7,902,638	156.86%	72.92%
2016	0.10077%	14,122,000	7,683,184	183.80%	68.28%
2015	0.10636%	13,387,000	7,907,861	169.29%	70.68%

County of Surry, Virginia  
 Schedule of Employer Contributions - Pension Plans  
 For the Years Ended June 30, 2016 through June 30, 2025

Date	Contractually Required Contribution* (1)	Contributions in Relation to Contractually Required Contribution* (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<b>Primary Government</b>					
2025	\$ 591,702	\$ 591,702	\$ -	\$ 6,157,146	9.61%
2024	589,068	589,068	-	5,939,091	9.92%
2023	558,032	558,032	-	5,483,610	10.18%
2022	549,321	549,321	-	5,008,676	10.97%
2021	500,868	500,868	-	4,562,873	10.98%
2020	355,419	355,419	-	4,623,636	7.69%
2019	337,826	337,826	-	4,269,888	7.91%
2018	273,088	273,088	-	4,160,375	6.56%
2017	280,187	280,187	-	4,037,279	6.94%
2016	365,523	365,523	-	3,876,167	9.43%
<b>Component Unit School Board (nonprofessional)</b>					
2025	\$ 119,752	\$ 119,752	\$ -	\$ 1,202,329	9.96%
2024	110,190	110,190	-	1,108,705	9.94%
2023	107,320	107,320	-	1,075,193	9.98%
2022	110,279	110,279	-	1,022,911	10.78%
2021	101,745	101,745	-	958,513	10.61%
2020	101,162	101,162	-	996,677	10.15%
2019	98,289	98,289	-	961,628	10.22%
2018	96,055	96,055	-	960,932	10.00%
2017	100,849	100,849	-	960,463	10.50%
2016	120,577	120,577	-	960,773	12.55%
<b>Component Unit School Board (professional)</b>					
2025	\$ 1,162,188	\$ 1,162,188	\$ -	\$ 8,178,660	14.21%
2024	1,277,494	1,277,494	-	8,005,637	15.96%
2023	1,266,640	1,266,640	-	7,922,783	15.99%
2022	1,265,534	1,265,534	-	7,614,524	16.62%
2021	1,169,580	1,169,580	-	7,282,875	16.06%
2020	1,130,433	1,130,433	-	7,422,403	15.23%
2019	1,238,666	1,238,666	-	7,795,885	15.89%
2018	1,298,516	1,298,516	-	7,942,962	16.35%
2017	1,159,872	1,159,872	-	7,902,638	14.68%
2016	1,098,107	1,098,107	-	7,683,184	14.29%

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

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

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

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
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 Surry, Virginia  
 Schedule of County's Share of Net OPEB Liability  
 Group Life Insurance (GLI) Plan  
 For the Measurement Dates of June 30, 2017 through June 30, 2024

Exhibit 18

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Primary Government:					
2024	0.02313%	\$ 258,113	\$ 5,939,091	4.35%	73.41%
2023	0.02328%	279,200	5,483,610	5.09%	69.30%
2022	0.02300%	277,303	5,008,676	5.54%	67.21%
2021	0.02210%	257,304	4,562,873	5.64%	67.45%
2020	0.02250%	375,154	4,623,636	8.11%	52.64%
2019	0.02178%	354,419	4,269,888	8.30%	52.00%
2018	0.02188%	332,000	4,160,375	7.98%	51.22%
2017	0.02195%	330,000	4,048,531	8.15%	48.86%
Component Unit School Board (professional):					
2024	0.03128%	\$ 349,060	\$ 8,032,212	4.35%	73.41%
2023	0.03378%	405,128	7,956,215	5.09%	69.30%
2022	0.03500%	421,343	7,614,524	5.53%	67.21%
2021	0.03530%	410,639	7,282,875	5.64%	67.45%
2020	0.03620%	603,952	7,448,568	8.11%	52.64%
2019	0.03977%	647,164	7,795,885	8.30%	52.00%
2018	0.04177%	635,000	7,942,962	7.99%	51.22%
2017	0.04285%	645,000	7,902,638	8.16%	48.86%
Component Unit School Board (nonprofessional):					
2024	0.00436%	\$ 48,654	\$ 1,118,286	4.35%	73.41%
2023	0.00461%	55,288	1,087,222	5.09%	69.30%
2022	0.00480%	57,556	1,040,489	5.53%	67.21%
2021	0.00470%	55,070	976,691	5.64%	67.45%
2020	0.00500%	83,442	1,028,265	8.11%	52.64%
2019	0.00491%	79,899	961,628	8.31%	52.00%
2018	0.00505%	76,000	960,932	7.91%	51.22%
2017	0.00521%	78,000	960,463	8.12%	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 Surry, Virginia  
 Schedule of Employer Contributions  
 Group Life Insurance (GLI) Plan  
 For the Years Ended June 30, 2016 through June 30, 2025

Exhibit 19

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government:					
2025	\$ 28,939	\$ 28,939	\$ -	\$ 6,157,146	0.47%
2024	32,071	32,071	-	5,939,091	0.54%
2023	29,611	29,611	-	5,483,610	0.54%
2022	27,047	27,047	-	5,008,676	0.54%
2021	24,640	24,640	-	4,562,873	0.54%
2020	24,059	24,059	-	4,623,636	0.52%
2019	22,203	22,203	-	4,269,888	0.52%
2018	21,634	21,634	-	4,160,375	0.52%
2017	21,052	21,052	-	4,048,531	0.52%
2016	18,606	18,606	-	3,876,167	0.48%
Component Unit School Board (professional):					
2025	\$ 38,505	\$ 38,505	\$ -	\$ 8,192,494	0.47%
2024	43,374	43,374	-	8,032,212	0.54%
2023	42,964	42,964	-	7,956,215	0.54%
2022	41,118	41,118	-	7,614,524	0.54%
2021	39,328	39,328	-	7,282,875	0.54%
2020	38,733	38,733	-	7,448,568	0.52%
2019	40,539	40,539	-	7,795,885	0.52%
2018	41,303	41,303	-	7,942,962	0.52%
2017	41,094	41,094	-	7,902,638	0.52%
2016	36,879	36,879	-	7,683,184	0.48%
Component Unit School Board (nonprofessional):					
2025	\$ 5,737	\$ 5,737	\$ -	\$ 1,220,671	0.47%
2024	6,039	6,039	-	1,118,286	0.54%
2023	5,871	5,871	-	1,087,222	0.54%
2022	5,619	5,619	-	1,040,489	0.54%
2021	5,274	5,274	-	976,691	0.54%
2020	5,347	5,347	-	1,028,265	0.52%
2019	5,000	5,000	-	961,628	0.52%
2018	4,997	4,997	-	960,932	0.52%
2017	4,994	4,994	-	960,463	0.52%
2016	4,612	4,612	-	960,773	0.48%

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

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

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

**Teachers**

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

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

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

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

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

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

Exhibit 21

	2024	2023	2022	2021	2020
<b>Total HIC OPEB Liability</b>					
Service cost	\$ 1,068	\$ 1,073	\$ 1,140	\$ 1,503	\$ -
Interest	7,081	13,158	12,718	11,598	-
Changes in benefit terms	-	-	-	-	171,824
Differences between expected and actual experience	10,038	(98,151)	(19,924)	-	-
Changes of assumptions	-	-	18,903	5,485	-
Benefit payments	(5,997)	(6,214)	(6,275)	-	-
<b>Net change in total HIC OPEB liability</b>	<b>\$ 12,190</b>	<b>\$ (90,134)</b>	<b>\$ 6,562</b>	<b>\$ 18,586</b>	<b>\$ 171,824</b>
<b>Total HIC OPEB Liability - beginning</b>	<b>106,838</b>	<b>196,972</b>	<b>190,410</b>	<b>171,824</b>	<b>-</b>
<b>Total HIC OPEB Liability - ending (a)</b>	<b>\$ 119,028</b>	<b>\$ 106,838</b>	<b>\$ 196,972</b>	<b>\$ 190,410</b>	<b>\$ 171,824</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 15,966	\$ 15,483	\$ 12,480	\$ 11,694	\$ -
Net investment income	3,431	1,543	(135)	1,377	-
Benefit payments	(5,997)	(6,214)	(6,275)	-	-
Administrator charges	(51)	(42)	(35)	(51)	-
Other	(1)	25	471	-	-
<b>Net change in plan fiduciary net position</b>	<b>\$ 13,348</b>	<b>\$ 10,795</b>	<b>\$ 6,506</b>	<b>\$ 13,020</b>	<b>\$ -</b>
<b>Plan fiduciary net position - beginning</b>	<b>30,321</b>	<b>19,526</b>	<b>13,020</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 43,669</b>	<b>\$ 30,321</b>	<b>\$ 19,526</b>	<b>\$ 13,020</b>	<b>\$ -</b>
<b>School Board Component Unit (nonprofessional) net HIC OPEB liability - ending (a) - (b)</b>	<b>\$ 75,359</b>	<b>\$ 76,517</b>	<b>\$ 177,446</b>	<b>\$ 177,390</b>	<b>\$ 171,824</b>
<b>Plan fiduciary net position as a percentage of the total HIC OPEB liability</b>	<b>36.69%</b>	<b>28.38%</b>	<b>9.91%</b>	<b>6.84%</b>	<b>0.00%</b>
<b>Covered payroll</b>	<b>\$ 1,108,705</b>	<b>\$ 1,075,193</b>	<b>\$ 1,022,911</b>	<b>\$ 958,513</b>	<b>\$ -</b>
<b>School Board Component Unit (nonprofessional) net HIC OPEB liability as a percentage of covered payroll</b>	<b>6.80%</b>	<b>7.12%</b>	<b>17.35%</b>	<b>18.51%</b>	<b>0.00%</b>

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

County of Surry, Virginia  
 Schedule of Employer Contributions  
 Health Insurance Credit (HIC) Plan  
 School Board Component Unit (nonprofessional)  
 For the Years Ended June 30, 2021 through June 30, 2025

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<u>Date</u>	<u>Contractually Required Contribution (1)</u>	<u>Contributions in Relation to Contractually Required Contribution (2)</u>	<u>Contribution Deficiency (Excess) (3)</u>	<u>Employer's Covered Payroll (4)</u>	<u>Contributions as a % of Covered Payroll (5)</u>
2025	\$ 17,314	\$ 17,314	\$ -	\$ 1,202,329	1.44%
2024	15,965	15,965	-	1,108,705	1.44%
2023	15,483	15,483	-	1,075,193	1.44%
2022	12,480	12,480	-	1,022,911	1.22%
2021	11,694	11,694	-	958,513	1.22%

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

County of Surry, Virginia  
Notes to Required Supplementary Information  
Health Insurance Credit (HIC) Plan  
School Board Component Unit (nonprofessional)  
For the Year Ended June 30, 2025

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

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

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

Exhibit 24

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)
2024	0.07472% \$	863,500 \$	8,005,637	10.79%	21.82%
2023	0.07950%	962,592	7,922,783	12.15%	17.90%
2022	0.08170%	1,020,471	7,614,524	13.40%	15.08%
2021	0.08235%	1,057,020	7,282,875	14.51%	13.15%
2020	0.08470%	1,104,534	7,422,403	14.88%	9.95%
2019	0.09294%	1,216,675	7,795,885	15.61%	8.97%
2018	0.09821%	1,247,000	7,942,962	15.70%	8.08%
2017	0.10013%	1,270,000	7,902,638	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 Surry, Virginia  
 Schedule of Employer Contributions  
 Teacher Employee Health Insurance Credit (HIC) Plan  
 For the Years Ended June 30, 2016 through June 30, 2025

Exhibit 25

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)
2025	\$ 98,962	\$ 98,962	\$ -	\$ 8,178,660	1.21%
2024	96,868	96,868	-	8,005,637	1.21%
2023	95,866	95,866	-	7,922,783	1.21%
2022	92,136	92,136	-	7,614,524	1.21%
2021	88,123	88,123	-	7,282,875	1.21%
2020	89,069	89,069	-	7,422,403	1.20%
2019	93,551	93,551	-	7,795,885	1.20%
2018	97,698	97,698	-	7,942,962	1.23%
2017	87,719	87,719	-	7,902,638	1.11%
2016	81,442	81,442	-	7,683,184	1.06%

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

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

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

County of Surry, Virginia  
 Schedule of Changes in Total OPEB Liability and Related Ratios  
 Primary Government  
 For the Years Ended June 30, 2018 through June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB liability</b>								
Service cost	\$ 20,689	\$ 22,778	\$ 16,883	\$ 14,374	\$ 13,859	\$ 8,719	\$ 8,873	\$ 9,121
Interest	7,858	7,754	3,575	2,185	2,196	4,356	4,840	4,495
Economic/demographic gains or losses	-	(8,867)	102,103	-	-	(35,801)	-	-
Changes in assumptions	(21,454)	(22,949)	(6,472)	(7,988)	239	11,190	3,247	(3,020)
Benefit payments	(7,366)	(10,922)	(10,091)	(12,465)	(17,498)	(19,835)	(14,993)	(12,465)
<b>Net change in total OPEB liability</b>	<b>\$(273)</b>	<b>\$(12,206)</b>	<b>\$105,998</b>	<b>\$(3,894)</b>	<b>\$(1,204)</b>	<b>\$(31,371)</b>	<b>\$1,967</b>	<b>\$(1,869)</b>
<b>Total OPEB liability - beginning</b>	<b>182,898</b>	<b>195,104</b>	<b>89,106</b>	<b>93,000</b>	<b>94,204</b>	<b>125,575</b>	<b>123,608</b>	<b>125,477</b>
<b>Total OPEB liability - ending</b>	<b>182,625</b>	<b>182,898</b>	<b>195,104</b>	<b>89,106</b>	<b>93,000</b>	<b>94,204</b>	<b>125,575</b>	<b>123,608</b>
<b>Covered-employee payroll</b>	<b>\$ 6,930,876</b>	<b>\$ 6,930,876</b>	<b>\$ 4,806,369</b>	<b>\$ 4,585,039</b>	<b>\$ 4,585,039</b>	<b>\$ 4,585,039</b>	<b>\$ 4,125,259</b>	<b>\$ 4,125,259</b>
<b>County's total OPEB liability (asset) as a percentage of covered-employee payroll</b>	<b>2.63%</b>	<b>2.64%</b>	<b>4.06%</b>	<b>1.94%</b>	<b>2.03%</b>	<b>2.05%</b>	<b>3.04%</b>	<b>3.00%</b>

Schedule is intended to show information for 10 years. Information prior to 2018 is not available. However, additional years will be included as they become available.

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

	2025	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB liability</b>								
Service cost	\$ 26,198	\$ 30,625	\$ 30,918	\$ 41,849	\$ 40,323	\$ 26,326	\$ 25,610	\$ 26,477
Interest	23,218	20,838	18,944	12,379	12,508	20,049	21,784	20,569
Economic/demographic gains or losses	(81,190)	-	(67,723)	-	-	(63,747)	-	-
Changes in assumptions	(87,615)	(11,320)	77,219	(45,159)	1,531	48,680	16,233	(15,903)
Benefit payments	(11,240)	(20,310)	(26,308)	(45,886)	(51,511)	(52,680)	(56,263)	(53,761)
<b>Net change in total OPEB liability</b>	<b>\$(130,629)</b>	<b>\$19,833</b>	<b>\$33,050</b>	<b>\$(36,817)</b>	<b>\$2,851</b>	<b>\$(21,372)</b>	<b>\$7,364</b>	<b>\$(22,618)</b>
<b>Total OPEB liability - beginning</b>	<b>570,165</b>	<b>550,332</b>	<b>517,282</b>	<b>554,099</b>	<b>551,248</b>	<b>572,620</b>	<b>565,256</b>	<b>587,874</b>
<b>Total OPEB liability - ending</b>	<b>\$439,536</b>	<b>\$570,165</b>	<b>\$550,332</b>	<b>\$517,282</b>	<b>\$554,099</b>	<b>\$551,248</b>	<b>\$572,620</b>	<b>\$565,256</b>
<b>Covered-employee payroll</b>	<b>\$ 8,718,631</b>	<b>\$ 8,470,032</b>	<b>\$ 8,470,032</b>	<b>\$ 7,912,542</b>	<b>\$ 7,912,542</b>	<b>\$ 7,912,542</b>	<b>\$ 8,596,400</b>	<b>\$ 8,596,400</b>
<b>School Board's total OPEB liability (asset) as a percentage of covered-employee payroll</b>	<b>5.04%</b>	<b>6.73%</b>	<b>6.50%</b>	<b>6.54%</b>	<b>7.00%</b>	<b>6.97%</b>	<b>6.66%</b>	<b>6.58%</b>

Schedule is intended to show information for 10 years. Information prior to 2018 is not available. However, additional years will be included as they become available.

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

Exhibit 29

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

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

*Methods and assumptions used to determine OPEB liability:*

Actuarial Cost Method	Entry age normal, level percentage of pay
Discount Rate	5.20% based on Bond Buyer 20-Year Bond GO Index
Inflation	2.50%
Healthcare Trend Rate	The healthcare trend rate assumption starts at 5.40% in 2024, then gradually declines to 3.90% in 2072 and later.
Salary Increase Rates	The general salary increase rate was 5.35% in service year 1, then gradually declines to 3.50% in service year 20 and later.
Retirement Age	The average age of retirement is 65
Mortality Rates	Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years. Based rates are projected generationally with a Modified MP-2020 improvement Scale that is 75% of the MP-2020 rates, 25% of deaths are assumed to be service-related. Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females. Based rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

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

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

*Methods and assumptions used to determine OPEB liability:*

Actuarial Cost Method	Entry age normal
Discount Rate	5.20% based on Bond Buyer 20-Year Bond GO Index
Inflation	2.50%
Healthcare Trend Rate	The healthcare trend rate assumption starts at 5.40% in 2024, then gradually declines to 3.90% in 2072 and later
Salary Increase Rates	The salary increase rate was 5.35% in service year 1, then gradually declines to 3.50% in service year 20 and later
Retirement Age	The average age of retirement is 65
Mortality Rates	Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years. Based rates are projected generationally with a Modified MP-2020 improvement Scale that is 75% of the MP-2020 rates, 25% of deaths are assumed to be service-related. Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally;110% of rates for females. Based rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

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*OTHER SUPPLEMENTARY INFORMATION*

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*COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES*

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ 247,864	\$ 247,864
Miscellaneous	959,752	959,752	-	(959,752)
Total revenues	<u>\$ 959,752</u>	<u>\$ 959,752</u>	<u>\$ 247,864</u>	<u>\$ (711,888)</u>
<b>EXPENDITURES</b>				
Capital projects	\$ 12,214,052	\$ 20,164,157	\$ 3,333,312	\$ 16,830,845
Total expenditures	<u>\$ 12,214,052</u>	<u>\$ 20,164,157</u>	<u>\$ 3,333,312</u>	<u>\$ 16,830,845</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (11,254,300)</u>	<u>\$ (19,204,405)</u>	<u>\$ (3,085,448)</u>	<u>\$ 16,118,957</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 1,254,300	\$ 2,441,542	\$ 2,381,344	\$ (60,198)
Transfers out	-	-	(175,000)	(175,000)
Issuance of equipment purchase agreement	10,000,000	10,000,000	588,044	(9,411,956)
Total other financing sources (uses)	<u>\$ 11,254,300</u>	<u>\$ 12,441,542</u>	<u>\$ 2,794,388</u>	<u>\$ (9,647,154)</u>
Net change in fund balances	\$ -	\$ (6,762,863)	\$ (291,060)	\$ 6,471,803
Fund balances - beginning	-	6,762,863	4,970,518	(1,792,345)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,679,458</u>	<u>\$ 4,679,458</u>

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

	Budgeted Amounts		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ 30	\$ 30
Miscellaneous	-	-	56,410	56,410
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,810</u>	<u>\$ 56,810</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	\$ 25,000	\$ 25,000	\$ -	\$ 25,000
Community development	80,000	80,000	80,000	-
Total expenditures	<u>\$ 105,000</u>	<u>\$ 105,000</u>	<u>\$ 80,000</u>	<u>\$ 25,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (105,000)</u>	<u>\$ (105,000)</u>	<u>\$ (23,190)</u>	<u>\$ 81,810</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 80,000	\$ 80,000	\$ 80,000	\$ -
Total other financing sources (uses)	<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>\$ -</u>
Net change in fund balances	\$ (25,000)	\$ (25,000)	\$ 56,810	\$ 81,810
Fund balances - beginning	25,000	25,000	1,029,525	1,004,525
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,086,335</u>	<u>\$ 1,086,335</u>

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

	<u>Custodial Funds</u>			
	<u>Special Welfare</u>	<u>Crater AAA</u>	<u>Emergency Food and Shelter</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 67,799	\$ 273,797	\$ 142	\$ 341,738
Total assets	<u>\$ 67,799</u>	<u>\$ 273,797</u>	<u>\$ 142</u>	<u>\$ 341,738</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,514	\$ -	\$ -	\$ 2,514
Total liabilities	<u>\$ 2,514</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,514</u>
<b>NET POSITION</b>				
Restricted for:				
Special welfare	\$ 65,285	\$ -	\$ -	\$ 65,285
Other governments	-	273,797	142	273,939
Total net position	<u>\$ 65,285</u>	<u>\$ 273,797</u>	<u>\$ 142</u>	<u>\$ 339,224</u>

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

	<u>Custodial Funds</u>			<u>Total</u>
	<u>Special Welfare</u>	<u>Crater AAA</u>	<u>Emergency Food and Shelter</u>	
<b>ADDITIONS</b>				
Contributions:				
Donations	\$ 62,765	\$ 34,584	\$ -	\$ 97,349
Investment earnings:				
Interest and dividends	1,326	-	1	1,327
Total additions	<u>\$ 64,091</u>	<u>\$ 34,584</u>	<u>\$ 1</u>	<u>\$ 98,676</u>
<b>DEDUCTIONS</b>				
Purchases for supplies	\$ 63,320	\$ 10,942	\$ -	\$ 74,262
Total deductions	<u>\$ 63,320</u>	<u>\$ 10,942</u>	<u>\$ -</u>	<u>\$ 74,262</u>
Net increase (decrease) in fiduciary net position	\$ 771	\$ 23,642	\$ 1	\$ 24,414
Net position, beginning	64,514	250,155	141	314,810
Net position, ending	<u><u>\$ 65,285</u></u>	<u><u>\$ 273,797</u></u>	<u><u>\$ 142</u></u>	<u><u>\$ 339,224</u></u>

*DISCRETELY PRESENTED COMPONENT UNIT  
SCHOOL BOARD*

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

	School Operating <u>Fund</u>	School Cafeteria <u>Fund</u>	School Activity <u>Fund</u>	Total Governmental <u>Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,925,295	\$ -	\$ 80,080	\$ 3,005,375
Due from primary government	-	12,042	-	12,042
Due from other governmental units	668,634	82,475	-	751,109
Total assets	<u>\$ 3,593,929</u>	<u>\$ 94,517</u>	<u>\$ 80,080</u>	<u>\$ 3,768,526</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 382,898	\$ 1,491	\$ -	\$ 384,389
Accrued liabilities	679,623	23,551	-	703,174
Reconciled overdraft payable	-	63,003	-	63,003
Due to primary government	2,324,175	-	-	2,324,175
Deferred revenue	14,385	-	-	14,385
Total liabilities	<u>\$ 3,401,081</u>	<u>\$ 88,045</u>	<u>\$ -</u>	<u>\$ 3,489,126</u>
<b>FUND BALANCES</b>				
Committed	\$ 192,848	\$ 6,472	\$ 80,080	\$ 279,400
Total fund balances (deficits)	<u>\$ 192,848</u>	<u>\$ 6,472</u>	<u>\$ 80,080</u>	<u>\$ 279,400</u>
Total liabilities and fund balances	<u>\$ 3,593,929</u>	<u>\$ 94,517</u>	<u>\$ 80,080</u>	<u>\$ 3,768,526</u>

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:

Total fund balances per above	\$ 279,400
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets cost	\$ 32,512,152
Accumulated depreciation	<u>(22,681,880)</u>
	9,830,272
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	
Pension related items	\$ 2,759,449
OPEB related items	<u>286,913</u>
	3,046,362
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	
Compensated absences	\$ (2,561,471)
Net pension liability	(7,610,399)
Net OPEB liabilities	(1,776,109)
Lease liabilities	<u>(23,255)</u>
	(11,971,234)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	
Pension related items	\$ (1,912,194)
OPEB related items	<u>(531,134)</u>
	(2,443,328)
Net position of governmental activities	<u>\$ (1,258,528)</u>

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

	School Operating Fund	School Cafeteria Fund	School Activity Fund	Total Governmental Funds
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 370	\$ -	\$ -	\$ 370
Charges for services	-	47,062	-	47,062
Miscellaneous	78,526	-	175,034	253,560
Intergovernmental:				
Local government	12,808,394	-	-	12,808,394
Commonwealth	3,727,969	17,213	-	3,745,182
Federal	634,030	629,891	-	1,263,921
Total revenues	<u>\$ 17,249,289</u>	<u>\$ 694,166</u>	<u>\$ 175,034</u>	<u>\$ 18,118,489</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 18,177,929	\$ 708,188	\$ 175,290	\$ 19,061,407
Debt service:				
Principal retirement	22,109	-	-	22,109
Interest and other fiscal charges	1,147	-	-	1,147
Total expenditures	<u>\$ 18,201,185</u>	<u>\$ 708,188</u>	<u>\$ 175,290</u>	<u>\$ 19,084,663</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (951,896)</u>	<u>\$ (14,022)</u>	<u>\$ (256)</u>	<u>\$ (966,174)</u>
Net change in fund balances	\$ (951,896)	\$ (14,022)	\$ (256)	\$ (966,174)
Fund balances (deficit) - beginning	1,144,744	20,492	80,336	1,245,572
Fund balances (deficit) - ending	<u>\$ 192,848</u>	<u>\$ 6,470</u>	<u>\$ 80,080</u>	<u>\$ 279,398</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 \$ (966,174)

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. The following is a summary of items supporting this adjustment:

Capital outlay	\$ 1,633,264	
Depreciation expense	(775,324)	
Activity related to joint tenancy assets of Component Unit and Primary Government	<u>114,415</u>	972,355

The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal retired on lease liabilities 22,109

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.

OPEB expense	\$ 185,445	
Pension expense	962,298	
(Increase) decrease in compensated absences	<u>(1,946,483)</u>	(798,740)

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

Change in net position of governmental activities \$ (770,450)

County of Surry, 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, 2025

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ 370	\$ 370
Charges for services	-	-	-	-
Miscellaneous	32,132	32,132	78,526	46,394
Intergovernmental:				
Local government	13,067,757	13,407,757	12,808,394	(599,363)
Commonwealth	3,380,233	4,005,845	3,727,969	(277,876)
Federal	779,499	779,499	634,030	(145,469)
Total revenues	<u>\$ 17,259,621</u>	<u>\$ 18,225,233</u>	<u>\$ 17,249,289</u>	<u>\$ (975,944)</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 17,575,716	\$ 18,201,328	\$ 18,177,929	\$ 23,399
Debt service:				
Principal retirement	-	-	22,109	(22,109)
Interest and other fiscal charges	-	-	1,147	(1,147)
Total expenditures	<u>\$ 17,575,716</u>	<u>\$ 18,201,328</u>	<u>\$ 18,201,185</u>	<u>\$ 143</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (316,095)</u>	<u>\$ 23,905</u>	<u>\$ (951,896)</u>	<u>\$ (975,801)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	(23,905)	(23,905)	-	23,905
Total other financing sources and uses	<u>\$ (23,905)</u>	<u>\$ (23,905)</u>	<u>\$ -</u>	<u>\$ 23,905</u>
Net change in fund balances	\$ (340,000)	\$ -	\$ (951,896)	\$ (951,896)
Fund balances (deficit) - beginning	-	-	1,144,744	1,144,744
Fund balances (deficit) - ending	<u>\$ (340,000)</u>	<u>\$ -</u>	<u>\$ 192,848</u>	<u>\$ 192,848</u>

School Cafeteria Fund				School Activity Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44,037	128,037	47,062	(80,975)	-	-	-	-
-	-	-	-	-	-	175,034	175,034
-	-	-	-	-	-	-	-
64,749	64,749	17,213	(47,536)	-	-	-	-
493,289	493,289	629,891	136,602	-	-	-	-
\$ 602,075	\$ 686,075	\$ 694,166	\$ 8,091	\$ -	\$ -	\$ 175,034	\$ 175,034
\$ 625,980	\$ 709,980	\$ 708,188	\$ 1,792	\$ -	\$ -	\$ 175,290	\$ (175,290)
-	-	-	-	-	-	-	-
\$ 625,980	\$ 709,980	\$ 708,188	\$ 1,792	\$ -	\$ -	\$ 175,290	\$ (175,290)
\$ (23,905)	\$ (23,905)	\$ (14,022)	\$ 9,883	\$ -	\$ -	\$ (256)	\$ (256)
\$ 23,905	\$ 23,905	\$ -	\$ (23,905)	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
\$ 23,905	\$ 23,905	\$ -	\$ (23,905)	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ (14,022)	\$ (14,022)	\$ -	\$ -	\$ (256)	\$ (256)
-	-	20,492	20,492	-	-	80,336	80,336
\$ -	\$ -	\$ 6,470	\$ 6,470	\$ -	\$ -	\$ 80,080	\$ 80,080

*DISCRETELY PRESENTED COMPONENT UNIT  
ECONOMIC DEVELOPMENT AUTHORITY*

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

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**ASSETS**

Current assets:		
Cash and cash equivalents	\$	144,258
Due from other governmental units		35,000
Total current assets	\$	<u>179,258</u>

**NET POSITION**

Unrestricted	\$	179,258
Total net position	\$	<u><u>179,258</u></u>

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

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<b>OPERATING REVENUES</b>	
Contributions from local governments	\$ <u>80,000</u>
<b>OPERATING EXPENSES</b>	
Other charges	\$ <u>3,202</u>
Operating income (loss)	\$ <u>76,798</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest income	\$ 83
Market buildout	(44,130)
Business improvement grant	(25,000)
Total nonoperating revenues (expenses)	\$ <u>(69,047)</u>
Change in net position	\$ 7,751
Net position - beginning	171,507
Net position - ending	\$ <u><u>179,258</u></u>

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

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts for local government contributions	\$ 80,000
Payments to suppliers	(3,202)
Net cash provided by (used for) operating activities	<u>\$ 76,798</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Marketplace supplies	\$ (44,130)
Business improvement grant	(25,000)
Net cash provided by (used for) capital and related financing activities	<u>\$ (69,130)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest income	\$ 83
Net cash provided by (used for) investing activities	<u>\$ 83</u>

Net increase (decrease) in cash and cash equivalents	\$ 7,751
--	----------

Cash and cash equivalents - beginning	136,507
Cash and cash equivalents - ending	<u>\$ 144,258</u>

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

Operating income (loss)	\$ 76,798
Net cash provided by (used for) operating activities	<u>\$ 76,798</u>

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*SUPPORTING SCHEDULES*

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 8,568,000	\$ 8,568,000	\$ 8,819,361	\$ 251,361
Real and personal public service corporation taxes	15,845,275	15,845,275	16,085,199	239,924
Personal property taxes	2,446,000	2,446,000	3,881,653	1,435,653
Penalties	40,000	40,000	86,912	46,912
Interest	50,000	50,000	96,640	46,640
Total general property taxes	<u>\$ 26,949,275</u>	<u>\$ 26,949,275</u>	<u>\$ 28,969,765</u>	<u>\$ 2,020,490</u>
Other local taxes:				
Local sales and use taxes	\$ 750,000	\$ 750,000	\$ 1,850,986	\$ 1,100,986
Consumption tax	20,000	20,000	22,067	2,067
Business license taxes	150,000	150,000	240,609	90,609
Motor vehicle licenses	127,000	127,000	195,335	68,335
Taxes on recordation and wills	70,000	70,000	182,801	112,801
Meals tax	155,000	155,000	155,522	522
Total other local taxes	<u>\$ 1,272,000</u>	<u>\$ 1,272,000</u>	<u>\$ 2,647,320</u>	<u>\$ 1,375,320</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 1,300	\$ 1,300	\$ 1,240	\$ (60)
Building permits	72,000	72,000	420,521	348,521
Permits and other licenses	35,400	35,400	95,378	59,978
Total permits, privilege fees, and regulatory licenses	<u>\$ 108,700</u>	<u>\$ 108,700</u>	<u>\$ 517,139</u>	<u>\$ 408,439</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 45,000	\$ 45,000	\$ 54,618	\$ 9,618
Revenue from use of money and property:				
Revenue from use of money	\$ 400,000	\$ 400,000	\$ 549,243	\$ 149,243
Revenue from use of property	63,187	63,187	52,869	(10,318)
Total revenue from use of money and property	<u>\$ 463,187</u>	<u>\$ 463,187</u>	<u>\$ 602,112</u>	<u>\$ 138,925</u>
Charges for services:				
Sheriff fees	\$ 18,200	\$ 18,200	\$ 23,259	\$ 5,059
Charges for Commonwealth's Attorney	1,000	1,000	1,253	253
Charges for Treasurer	-	-	158	158
Courthouse maintenance fees	2,700	2,700	2,414	(286)
Charges for other court services	4,200	4,200	2,522	(1,678)
Charges for ambulance	200,000	200,000	300,991	100,991
Charges for sanitation and waste removal	8,000	8,000	11,495	3,495
Charges for farmers market vendor fees	100	100	25	(75)
Charges for parks and recreation	18,000	18,000	26,174	8,174
Total charges for services	<u>\$ 252,200</u>	<u>\$ 252,200</u>	<u>\$ 368,291</u>	<u>\$ 116,091</u>
Miscellaneous:				
Miscellaneous	\$ 675,012	\$ 739,777	\$ 278,449	\$ (461,328)
Total miscellaneous revenue	<u>\$ 675,012</u>	<u>\$ 739,777</u>	<u>\$ 278,449</u>	<u>\$ (461,328)</u>

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Recovered costs: (Continued)				
Recovered costs	\$ 137,200	\$ 137,200	\$ 160,215	\$ 23,015
Total revenue from local sources	<u>\$ 29,902,574</u>	<u>\$ 29,967,339</u>	<u>\$ 33,597,909</u>	<u>\$ 3,630,570</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Rolling stock tax	\$ -	\$ -	\$ 37	\$ 37
Mobile home titling tax	10,000	10,000	22,405	12,405
Games of skill	-	-	15	15
Taxes on deeds	10,000	10,000	-	(10,000)
Communications tax	35,000	35,000	33,344	(1,656)
Auto rental tax	-	-	3,070	3,070
State recordation tax	16,000	16,000	22,471	6,471
Personal property tax relief funds	677,907	677,907	677,907	-
Total noncategorical aid	<u>\$ 748,907</u>	<u>\$ 748,907</u>	<u>\$ 759,249</u>	<u>\$ 10,342</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 218,518	\$ 218,518	\$ 219,494	\$ 976
Sheriff	672,085	672,085	657,776	(14,309)
Commissioner of revenue	117,015	165,194	118,388	(46,806)
Treasurer	112,483	160,661	111,708	(48,953)
Registrar/electoral board	60,000	60,000	63,991	3,991
Clerk of the circuit court	243,131	243,131	279,298	36,167
Total shared expenses	<u>\$ 1,423,232</u>	<u>\$ 1,519,589</u>	<u>\$ 1,450,655</u>	<u>\$ (68,934)</u>
Other categorical aid:				
Public assistance and welfare administration	\$ 597,889	\$ 597,889	\$ 471,755	\$ (126,134)
Fire programs fund	30,000	30,000	30,000	-
Children's services act	421,665	421,665	245,402	(176,263)
Wireless funds	45,000	45,000	53,030	8,030
Emergency medical services	8,200	33,404	-	(33,404)
Victim-witness grant	66,585	66,585	6,575	(60,010)
Radiological emergency preparedness grant	30,000	30,000	30,000	-
Records preservation grant	-	60,242	47,304	(12,938)
Litter control	11,000	11,000	11,033	33
Total other categorical aid	<u>\$ 1,210,339</u>	<u>\$ 1,295,785</u>	<u>\$ 895,099</u>	<u>\$ (400,686)</u>
Total categorical aid	<u>\$ 2,633,571</u>	<u>\$ 2,815,374</u>	<u>\$ 2,345,754</u>	<u>\$ (469,620)</u>
Total revenue from the Commonwealth	<u>\$ 3,382,478</u>	<u>\$ 3,564,281</u>	<u>\$ 3,105,003</u>	<u>\$ (459,278)</u>
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	\$ 400	\$ 400	\$ 450	\$ 50
Categorical aid:				
Public assistance and welfare administration	\$ 894,133	\$ 974,133	\$ 1,198,384	\$ 224,251
Criminal justice grant	-	-	40,732	40,732
Sheriff DMV grant	-	7,800	8,221	421
Disaster assistance	-	-	7,197	7,197
American Rescue Plan Act	-	-	1,256,439	1,256,439
Total categorical aid	<u>\$ 894,133</u>	<u>\$ 981,933</u>	<u>\$ 2,510,973</u>	<u>\$ 1,529,040</u>
Total revenue from the federal government	<u>\$ 894,533</u>	<u>\$ 982,333</u>	<u>\$ 2,511,423</u>	<u>\$ 1,529,090</u>
Total General Fund	<u>\$ 34,179,585</u>	<u>\$ 34,513,953</u>	<u>\$ 39,214,335</u>	<u>\$ 4,700,382</u>

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Special Revenue Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 30	\$ 30
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 56,410	\$ 56,410
Total miscellaneous revenue	\$ -	\$ -	\$ 56,410	\$ 56,410
Total revenue from local sources	\$ -	\$ -	\$ 56,440	\$ 56,440
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Forfeited assets	\$ -	\$ -	\$ 370	\$ 370
Total categorical aid	\$ -	\$ -	\$ 370	\$ 370
Total revenue from the Commonwealth	\$ -	\$ -	\$ 370	\$ 370
Total Special Revenue Fund	\$ -	\$ -	\$ 56,810	\$ 56,810
<b>Capital Projects Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 247,864	\$ 247,864
Miscellaneous:				
Miscellaneous	\$ 959,752	\$ 959,752	\$ -	\$ (959,752)
Total revenue from local sources	\$ 959,752	\$ 959,752	\$ 247,864	\$ (711,888)
Total County Capital Projects Fund	\$ 959,752	\$ 959,752	\$ 247,864	\$ (711,888)
Total Primary Government	\$ 35,139,337	\$ 35,473,705	\$ 39,519,009	\$ 4,045,304
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 370	\$ 370
Miscellaneous:				
Miscellaneous	\$ 32,132	\$ 32,132	\$ 78,526	\$ 46,394
Total revenue from local sources	\$ 32,132	\$ 32,132	\$ 78,896	\$ 46,764
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Surry	\$ 13,067,757	\$ 13,407,757	\$ 12,808,394	\$ (599,363)
Categorical aid:				
Share of state sales tax	\$ 994,100	\$ 994,100	\$ 1,003,476	\$ 9,376
Basic school aid	1,115,216	1,115,216	1,062,669	(52,547)
Remedial summer education	12,346	12,346	9,126	(3,220)
Support in lieu of sales tax	-	-	153,550	153,550
Gifted and talented	8,360	8,360	8,262	(98)
Special education	202,249	202,249	199,116	(3,133)
Textbook payment	20,917	20,917	20,673	(244)
Vocational education	137,860	137,860	133,433	(4,427)

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>School Operating Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Early reading intervention	\$ 8,514	\$ 8,514	\$ 7,663	\$ (851)
School fringes	227,149	227,149	214,429	(12,720)
English as a second language	2,056	2,056	3,425	1,369
Technology	128,000	128,000	-	(128,000)
Mentor teacher program	624	624	2,076	1,452
Lottery payments	200,000	200,000	200,000	-
At risk payments	171,285	171,285	311,443	140,158
Primary class size	53,132	53,132	49,627	(3,505)
SOL algebra readiness	4,382	4,382	4,325	(57)
Restraint	-	7,612	7,612	-
Hold harmless	-	-	6,398	6,398
Virginia preschool initiative	37,878	37,878	94,696	56,818
School security grant	-	-	46,855	46,855
Project graduation	\$ 3,088	\$ 3,088	\$ 3,088	\$ -
Other state funds	13,891	13,891	186,027	172,136
Total categorical aid	<u>\$ 3,380,233</u>	<u>\$ 4,005,845</u>	<u>\$ 3,727,969</u>	<u>\$ (277,876)</u>
Total revenue from the Commonwealth	<u>\$ 3,380,233</u>	<u>\$ 4,005,845</u>	<u>\$ 3,727,969</u>	<u>\$ (277,876)</u>
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 308,208	\$ 308,208	\$ 227,544	\$ (80,664)
Title VI-B, special education flow-through	332,048	332,048	228,529	(103,519)
Vocational education	16,850	16,850	19,016	2,166
JROTC	72,000	72,000	91,229	19,229
Other federal funds	15,619	15,619	67,712	52,093
Total categorical aid	<u>\$ 779,499</u>	<u>\$ 779,499</u>	<u>\$ 634,030</u>	<u>\$ (145,469)</u>
Total revenue from the federal government	<u>\$ 779,499</u>	<u>\$ 779,499</u>	<u>\$ 634,030</u>	<u>\$ (145,469)</u>
Total School Operating Fund	<u>\$ 17,259,621</u>	<u>\$ 18,225,233</u>	<u>\$ 17,249,289</u>	<u>\$ (975,944)</u>
<b>Special Revenue Funds:</b>				
School Cafeteria Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	\$ 44,037	\$ 128,037	\$ 47,062	\$ (80,975)
Total charges for services	<u>\$ 44,037</u>	<u>\$ 128,037</u>	<u>\$ 47,062</u>	<u>\$ (80,975)</u>
Total revenue from local sources	<u>\$ 44,037</u>	<u>\$ 128,037</u>	<u>\$ 47,062</u>	<u>\$ (80,975)</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program	\$ 64,749	\$ 64,749	\$ 17,213	\$ (47,536)
Total categorical aid	<u>\$ 64,749</u>	<u>\$ 64,749</u>	<u>\$ 17,213</u>	<u>\$ (47,536)</u>
Total revenue from the Commonwealth	<u>\$ 64,749</u>	<u>\$ 64,749</u>	<u>\$ 17,213</u>	<u>\$ (47,536)</u>
Revenue from the federal government:				
Categorical aid:				
School food program	\$ 468,289	\$ 468,289	\$ 587,447	\$ 119,158
Commodities	25,000	25,000	42,444	17,444
Total categorical aid	<u>\$ 493,289</u>	<u>\$ 493,289</u>	<u>\$ 629,891</u>	<u>\$ 136,602</u>
Total revenue from the federal government	<u>\$ 493,289</u>	<u>\$ 493,289</u>	<u>\$ 629,891</u>	<u>\$ 136,602</u>
Total School Cafeteria Fund	<u>\$ 602,075</u>	<u>\$ 686,075</u>	<u>\$ 694,166</u>	<u>\$ 8,091</u>

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>Special Revenue Funds: (Continued)</b>				
<b>School Activity Fund:</b>				
Revenue from local sources:				
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 175,034	\$ 175,034
Total School Activity Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,034</u>	<u>\$ 175,034</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 17,861,696</u>	<u>\$ 18,911,308</u>	<u>\$ 18,118,489</u>	<u>\$ (792,819)</u>

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

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 215,153	\$ 263,315	\$ 186,906	\$ 76,409
General and financial administration:				
County administrator	\$ 709,625	\$ 663,625	\$ 642,947	\$ 20,678
Legal services	304,047	289,047	255,327	33,720
Commissioner of revenue	317,781	317,781	317,288	493
Independent audit	56,000	56,000	12,700	43,300
Treasurer	328,576	373,061	365,900	7,161
Board of equalization	0	191,000	190,335	665
Finance department	545,061	530,061	525,448	4,613
Information technology	1,197,538	1,506,538	1,468,832	37,706
Other general and financial administration	60,000	140,000	138,691	1,309
Total general and financial administration	<u>\$ 3,518,628</u>	<u>\$ 4,067,113</u>	<u>\$ 3,917,468</u>	<u>\$ 149,645</u>
Board of elections:				
Electoral board and officials	\$ 262,414	\$ 262,414	\$ 248,963	\$ 13,451
Total general government administration	<u>\$ 3,996,195</u>	<u>\$ 4,592,842</u>	<u>\$ 4,353,337</u>	<u>\$ 239,505</u>
Judicial administration:				
Courts:				
Circuit court	\$ 26,500	\$ 29,700	\$ 26,542	\$ 3,158
General district court	58,867	58,867	53,486	5,381
Victim Witness	79,980	81,980	81,547	433
Clerk of the circuit court	370,228	370,228	352,770	17,458
Total courts	<u>\$ 535,575</u>	<u>\$ 540,775</u>	<u>\$ 514,345</u>	<u>\$ 26,430</u>
Commonwealth's attorney:				
Commonwealth's attorney	\$ 353,646	\$ 353,646	\$ 351,672	\$ 1,974
Total judicial administration	<u>\$ 889,221</u>	<u>\$ 894,421</u>	<u>\$ 866,017</u>	<u>\$ 28,404</u>
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,840,873	\$ 1,965,073	\$ 1,963,437	\$ 1,636
Virginia juvenile crime control act	14,782	14,782	3,157	11,625
Total law enforcement and traffic control	<u>\$ 1,855,655</u>	<u>\$ 1,979,855</u>	<u>\$ 1,966,594</u>	<u>\$ 13,261</u>
Fire and rescue services:				
Fire department/rescue services	\$ 1,365,993	\$ 1,429,275	\$ 1,335,512	\$ 93,763
Correction and detention:				
Confinement and care of prisoners	\$ 294,463	\$ 294,463	\$ 247,309	\$ 47,154

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

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Inspections:				
Building	\$ 333,239	\$ 337,239	\$ 336,694	\$ 545
Other protection:				
Animal control	\$ 252,337	\$ 249,837	\$ 187,244	\$ 62,593
Emergency services	380,108	484,086	374,324	109,762
E-911 communications	808,461	718,261	350,585	367,676
Total other protection	\$ 1,440,906	\$ 1,452,184	\$ 912,153	\$ 540,031
Total public safety	\$ 5,290,256	\$ 5,493,016	\$ 4,798,262	\$ 694,754
Public works:				
Sanitation and waste removal:				
Sanitation	\$ 913,093	\$ 761,328	\$ 691,120	\$ 70,208
Litter control	11,000	11,000	2,223	8,777
Total sanitation and waste removal	\$ 924,093	\$ 772,328	\$ 693,343	\$ 78,985
Maintenance of general buildings and grounds:				
General properties	\$ 798,611	\$ 902,611	\$ 874,334	\$ 28,277
Total public works	\$ 1,722,704	\$ 1,674,939	\$ 1,567,677	\$ 107,262
Health and welfare:				
Health:				
Supplement of local health department	\$ 209,664	\$ 209,664	\$ 209,664	\$ -
Mental health and mental retardation:				
Community services board	\$ 91,303	\$ 119,385	\$ 91,313	\$ 28,072
Welfare:				
Public assistance and welfare administration	\$ 1,967,022	\$ 2,047,022	\$ 2,044,405	\$ 2,617
Children's services act	666,665	666,665	442,953	223,712
SSG improvement association	50,604	50,604	50,604	-
Workforce development	119,809	97,109	85,155	11,954
Office on youth	223,671	225,671	220,013	5,658
Total welfare	\$ 3,027,771	\$ 3,087,071	\$ 2,843,130	\$ 243,941
Total health and welfare	\$ 3,328,738	\$ 3,416,120	\$ 3,144,107	\$ 272,013
Education:				
Other instructional costs:				
Contributions to Community Colleges	\$ 6,303	\$ 6,303	\$ 1,303	\$ 5,000
Contribution to County School Board	13,067,757	13,407,757	12,808,394	599,363
Total education	\$ 13,074,060	\$ 13,414,060	\$ 12,809,697	\$ 604,363

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

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Parks, recreation, and cultural:				
Parks and recreation:				
Recreation center	\$ 433,155	\$ 405,155	\$ 386,148	\$ 19,007
Marina	115,000	115,000	114,123	877
Total parks and recreation	<u>\$ 548,155</u>	<u>\$ 520,155</u>	<u>\$ 500,271</u>	<u>\$ 19,884</u>
Library:				
Contribution to regional library	\$ 157,940	\$ 157,970	\$ 157,962	\$ 8
Total parks, recreation, and cultural	<u>\$ 706,095</u>	<u>\$ 678,125</u>	<u>\$ 658,233</u>	<u>\$ 19,892</u>
Community development:				
Planning and community development:				
Planning and zoning	\$ 654,063	\$ 597,063	\$ 579,693	\$ 17,370
Zoning board	2,284	2,284	-	2,284
Highway transportation safety commission	540	890	620	270
Planning district commission	7,768	7,768	5,910	1,858
Economic development	460,112	291,557	257,701	33,856
Tourism	275,266	246,266	241,046	5,220
Farmers market	24,100	21,155	16,707	4,448
Other planning and community development	271	271	-	271
Total planning and community development	<u>\$ 1,424,404</u>	<u>\$ 1,167,254</u>	<u>\$ 1,101,677</u>	<u>\$ 65,577</u>
Cooperative extension program:				
Extension office	\$ 57,946	\$ 65,946	\$ 66,019	\$ (73)
Total community development	<u>\$ 1,482,350</u>	<u>\$ 1,233,200</u>	<u>\$ 1,167,696</u>	<u>\$ 65,504</u>
Debt service:				
Principal retirement	\$ 1,660,000	\$ 1,660,000	\$ 1,831,227	\$ (171,227)
Interest and other fiscal charges	635,026	635,026	615,797	19,229
Total debt service	<u>\$ 2,295,026</u>	<u>\$ 2,295,026</u>	<u>\$ 2,447,024</u>	<u>\$ (151,998)</u>
Total General Fund	<u>\$ 32,784,645</u>	<u>\$ 33,691,749</u>	<u>\$ 31,812,050</u>	<u>\$ 1,879,699</u>
<b>Special Revenue Fund:</b>				
Public Safety:				
DEA task force	\$ 25,000	\$ 25,000	\$ -	\$ 25,000
Total public safety	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 25,000</u>
Community development				
Economic development	\$ 80,000	\$ 80,000	\$ 80,000	\$ -
Total community development	<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>\$ -</u>
Total Special Revenue Fund	<u>\$ 105,000</u>	<u>\$ 105,000</u>	<u>\$ 80,000</u>	<u>\$ 25,000</u>

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

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>County Capital Projects Fund:</b>				
Capital projects:				
Technology upgrades	\$ -	\$ 51,000	\$ 50,466	\$ 534
Fleet vehicles	-	145,075	248,830	(103,755)
Lighting and security upgrades	175,000	175,000	578,762	(403,762)
County capital projects	12,039,052	18,714,367	2,072,341	16,642,026
Accounting system	-	365,233	382,913	(17,680)
School capital projects	-	11,716	-	11,716
Total capital projects	<u>\$ 12,214,052</u>	<u>\$ 20,164,157</u>	<u>\$ 3,333,312</u>	<u>\$ 16,830,845</u>
Total County Capital Projects Fund	<u>\$ 12,214,052</u>	<u>\$ 20,164,157</u>	<u>\$ 3,333,312</u>	<u>\$ 16,830,845</u>
Total Primary Government	<u>\$ 45,103,697</u>	<u>\$ 53,960,906</u>	<u>\$ 35,225,362</u>	<u>\$ 18,735,544</u>
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Education:				
Operating Costs:				
Administration, health, and attendance	\$ 1,401,753	\$ 1,401,753	\$ 1,276,909	\$ 124,844
Instruction costs	11,834,541	12,460,153	11,451,577	1,008,576
Districtwide technology	765,620	765,620	986,320	(220,700)
Pupil transportation	1,217,849	1,217,849	1,101,489	116,360
Operation and maintenance of school plant	2,355,953	2,355,953	3,361,634	(1,005,681)
Total operating costs	<u>\$ 17,575,716</u>	<u>\$ 18,201,328</u>	<u>\$ 18,177,929</u>	<u>\$ 23,399</u>
Total education	<u>\$ 17,575,716</u>	<u>\$ 18,201,328</u>	<u>\$ 18,177,929</u>	<u>\$ 23,399</u>
Debt service:				
Principal retirement	\$ -	\$ -	\$ 22,109	\$ (22,109)
Interest and other fiscal charges	-	-	1,147	(1,147)
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,256</u>	<u>\$ (23,256)</u>
Total School Operating Fund	<u>\$ 17,575,716</u>	<u>\$ 18,201,328</u>	<u>\$ 18,201,185</u>	<u>\$ 143</u>
<b>Special Revenue Funds:</b>				
<b>School Cafeteria Fund:</b>				
Education:				
School food services:				
School food services	\$ 625,980	\$ 709,980	\$ 708,188	\$ 1,792
Total School Cafeteria Fund	<u>\$ 625,980</u>	<u>\$ 709,980</u>	<u>\$ 708,188</u>	<u>\$ 1,792</u>
<b>School Activity Fund:</b>				
Education:				
School activity funds:				
School Activity Funds	\$ -	\$ -	\$ 175,290	\$ (175,290)
Total School Activity Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,290</u>	<u>\$ (175,290)</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 18,201,696</u>	<u>\$ 18,911,308</u>	<u>\$ 19,084,663</u>	<u>\$ (173,355)</u>

*STATISTICAL SECTION*

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COUNTY OF SURRY, VIRGINIA  
Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)

	2016	2017	2018	2019
Governmental activities				
Net investment in capital assets	\$ 5,764,238	\$ 6,655,370	\$ 9,400,418	\$ 11,006,048
Restricted	-	-	-	-
Unrestricted	14,793,362	15,856,084	14,275,872	14,250,518
Total governmental activities net position	<u>\$ 20,557,600</u>	<u>\$ 22,511,454</u>	<u>\$ 23,676,290</u>	<u>\$ 25,256,566</u>
Business-type activities				
Net investment in capital assets	\$ 5,021,173	\$ 5,409,740	\$ 450,268	\$ 425,407
Unrestricted	(36,137)	(1,464)	(12,070)	(6,755)
Total business-type activities net position	<u>\$ 4,985,036</u>	<u>\$ 5,408,276</u>	<u>\$ 438,198</u>	<u>\$ 418,652</u>
Primary Government				
Net investment in capital assets	\$ 10,785,411	\$ 12,065,110	\$ 9,850,686	\$ 11,431,455
Restricted	-	-	-	-
Unrestricted	14,757,225	15,854,620	14,263,802	14,243,763
Total Primary government net position	<u>\$ 25,542,636</u>	<u>\$ 27,919,730</u>	<u>\$ 24,114,488</u>	<u>\$ 25,675,218</u>

Table 1

2020	2021	2022	2023	2024	2025
\$ 17,192,612	\$ 14,515,163	\$ 15,815,687	\$ 14,328,126	\$ 23,321,831	\$ 26,939,518
-	-	-	69,274	109,978	124,635
9,208,214	8,326,325	8,583,340	14,537,630	10,292,390	13,626,924
<u>\$ 26,400,826</u>	<u>\$ 22,841,488</u>	<u>\$ 24,399,027</u>	<u>\$ 28,935,030</u>	<u>\$ 33,724,199</u>	<u>\$ 40,691,077</u>
\$ 400,546	\$ 3,711,920	\$ 3,601,514	\$ 3,491,108	\$ 3,380,703	\$ 3,282,395
(6,754)	18,108	45,820	59,665	165,206	414,045
<u>\$ 393,792</u>	<u>\$ 3,730,028</u>	<u>\$ 3,647,334</u>	<u>\$ 3,550,773</u>	<u>\$ 3,545,909</u>	<u>\$ 3,696,440</u>
\$ 17,593,158	\$ 18,227,083	\$ 19,417,201	\$ 17,819,234	\$ 26,702,534	\$ 30,221,913
-	-	-	69,274	109,978	124,635
9,201,460	8,344,433	8,629,160	14,597,295	10,457,596	14,040,969
<u>\$ 26,794,618</u>	<u>\$ 26,571,516</u>	<u>\$ 28,046,361</u>	<u>\$ 32,485,803</u>	<u>\$ 37,270,108</u>	<u>\$ 44,387,517</u>

COUNTY OF SURRY, VIRGINIA  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

	2016	2017	2018	2019
<b>Expenses</b>				
Governmental activities				
General government administration	\$ 2,132,002	\$ 1,917,740	\$ 1,964,276	\$ 2,078,003
Judicial administration	773,107	888,575	873,741	911,831
Public safety	2,918,282	3,290,894	3,606,834	3,577,148
Public works	1,413,326	1,557,463	1,422,039	1,640,550
Health and welfare	2,303,706	2,320,721	2,302,899	2,379,011
Community development	531,693	1,018,108	516,728	1,265,986
Parks, Recreation and cultural	1,176,469	(139,681)	632,537	722,787
Education	12,463,776	12,055,007	13,088,905	12,362,185
Interest and other financial charges	562,721	538,332	505,507	634,730
Total governmental activities	\$ 24,275,082	\$ 23,447,159	\$ 24,913,466	\$ 25,572,231
Business-type activities				
Water and Sewer	\$ 457,130	\$ 521,937	\$ 5,131,464	\$ 161,575
Total business-type activities	\$ 457,130	\$ 521,937	\$ 5,131,464	\$ 161,575
<b>Total primary government expenses</b>	<b>\$ 24,732,212</b>	<b>\$ 23,969,096</b>	<b>\$ 30,044,930</b>	<b>\$ 25,733,806</b>
<b>Program Revenues</b>				
Governmental activities				
Charges for services:				
General government administration	\$ 276	\$ 16,429	\$ 14,928	\$ 145
Judicial administration	45,947	66,032	43,015	67,947
Public safety	47,887	58,176	62,557	267,105
Public works	42,663	35,100	39,897	25,908
Parks, recreation and cultural	63,891	31,916	20,837	22,677
Operating grants and contributions	2,345,604	2,586,006	2,619,000	2,538,393
Capital Grants and contributions	322,950	-	-	-
Total governmental activities	\$ 2,869,218	\$ 2,793,659	\$ 2,800,234	\$ 2,922,175
Business-type activities				
Charges for services:				
Water and Sewer	\$ 134,154	\$ 150,495	\$ 64,486	\$ 58,839
Total business-type activities	\$ 134,154	\$ 150,495	\$ 64,486	\$ 58,839
<b>Total primary government revenues</b>	<b>\$ 3,003,372</b>	<b>\$ 2,944,154</b>	<b>\$ 2,864,720</b>	<b>\$ 2,981,014</b>

Table 2  
Page 1 of 2

2020	2021	2022	2023	2024	2025
\$ 2,136,398	\$ 2,999,747	\$ 3,217,674	\$ 3,487,373	\$ 5,657,566	\$ 3,343,875
1,008,861	1,112,591	1,039,743	1,020,879	1,239,939	1,125,962
4,006,059	3,816,148	4,333,212	5,403,117	4,573,412	4,883,110
1,467,102	1,911,937	1,675,724	1,824,385	1,740,218	3,420,561
3,115,050	3,727,137	2,958,383	2,996,979	2,972,716	3,103,837
813,042	3,778,239	3,774,168	1,079,793	1,147,041	788,984
684,751	646,076	574,238	1,378,199	867,270	1,148,772
13,195,678	12,094,027	12,616,856	13,034,202	13,281,762	13,594,060
650,388	1,185,422	544,011	509,196	472,177	453,349
\$ 27,077,329	\$ 31,271,324	\$ 30,734,009	\$ 30,734,123	\$ 31,952,101	\$ 31,862,510
\$ 190,291	\$ 278,972	\$ 289,489	\$ 275,356	\$ 196,236	\$ 188,510
\$ 190,291	\$ 278,972	\$ 289,489	\$ 275,356	\$ 196,236	\$ 188,510
\$ 27,267,620	\$ 31,550,296	\$ 31,023,498	\$ 31,009,479	\$ 32,148,337	\$ 32,051,020
\$ 186	\$ 123	\$ 208	\$ 89	\$ 36	\$ 158
38,646	44,978	51,881	59,811	40,647	60,807
235,428	281,273	391,453	642,130	405,485	841,389
7,694	13,971	10,792	11,732	10,985	11,495
16,943	690	17,768	18,660	22,397	26,199
2,976,278	3,929,094	3,192,620	3,434,535	3,629,726	4,864,646
967,420	950,313	1,535,956	-	-	-
\$ 4,242,595	\$ 5,220,442	\$ 5,200,678	\$ 4,166,957	\$ 4,109,276	\$ 5,804,694
\$ 55,816	\$ 50,038	\$ 69,624	\$ 96,695	\$ 150,732	\$ 298,401
\$ 55,816	\$ 50,038	\$ 69,624	\$ 96,695	\$ 150,732	\$ 298,401
\$ 4,298,411	\$ 5,270,480	\$ 5,270,302	\$ 4,263,652	\$ 4,260,008	\$ 6,103,095

**COUNTY OF SURRY, VIRGINIA**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
(accrual basis of accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Net (Expense)/Revenue</b>			
Governmental activities	\$ (21,405,864)	\$ (20,653,500)	\$ (22,113,232)
Business-type activities	(322,976)	(371,442)	(5,066,978)
<b>Total primary government net expense</b>	<u>\$ (21,728,840)</u>	<u>\$ (21,024,942)</u>	<u>\$ (27,180,210)</u>

**General Revenues and Other Changes in Net Position**

Governmental Activities:

Taxes

Property taxes	\$ 20,744,418	\$ 21,725,342	\$ 21,766,374
Other local taxes	706,543	610,920	780,408
Investment earnings	154,325	226,484	368,134
Miscellaneous	54,442	70,236	164,975
Non-categorical aid from the Commonwealth	769,719	769,054	776,502
Transfers	(168,559)	(794,682)	(96,900)
<b>Total governmental activities</b>	<u>\$ 22,260,888</u>	<u>\$ 22,607,354</u>	<u>\$ 23,759,493</u>

Business-type activities

Capital contributions	\$ -	\$ -	\$ -
Transfers	168,559	794,682	96,900
<b>Total business-type activities</b>	<u>\$ 168,559</u>	<u>\$ 794,682</u>	<u>\$ 96,900</u>
<b>Total primary government</b>	<u>\$ 22,429,447</u>	<u>\$ 23,402,036</u>	<u>\$ 23,856,393</u>

**Changes in Net Position**

Governmental activities	\$ 855,024	\$ 1,953,854	\$ 1,646,261
Business-type activities	(154,417)	423,240	(4,970,078)
<b>Total primary government</b>	<u>\$ 700,607</u>	<u>\$ 2,377,094</u>	<u>\$ (3,323,817)</u>

2019	2020	2021	2022	2023	2024	2025
\$ (22,650,056)	\$ (22,834,734)	\$ (26,050,882)	\$ (25,533,331)	\$ (26,567,166)	\$ (27,842,825)	\$ (26,057,816)
(102,736)	(134,475)	(228,934)	(219,865)	(178,661)	(45,504)	109,891
\$ (22,752,792)	\$ (22,969,209)	\$ (26,279,816)	\$ (25,753,196)	\$ (26,745,827)	\$ (27,888,329)	\$ (25,947,925)

\$ 21,551,518	\$ 22,140,946	\$ 22,939,954	\$ 24,591,548	\$ 26,295,256	\$ 27,443,951	\$ 28,475,350
1,126,200	1,118,145	1,057,335	1,445,077	1,701,749	2,148,839	2,647,320
701,171	452,566	190,882	175,541	1,650,247	1,484,549	850,006
156,952	315,529	925,865	324,139	737,758	820,602	334,859
777,681	761,013	787,825	762,090	729,905	774,693	730,069
(83,190)	(109,615)	(143,390)	(137,171)	(82,100)	(40,640)	(40,640)
\$ 24,230,332	\$ 24,678,584	\$ 25,758,471	\$ 27,161,224	\$ 31,032,815	\$ 32,631,994	\$ 32,996,964

\$ -	\$ -	\$ 154,853	\$ -	\$ -	\$ -	\$ -
83,190	109,615	143,390	137,171	82,100	40,640	40,640
\$ 83,190	\$ 109,615	\$ 298,243	\$ 137,171	\$ 82,100	\$ 40,640	\$ 40,640
\$ 24,313,522	\$ 24,788,199	\$ 26,056,714	\$ 27,298,395	\$ 31,114,915	\$ 32,672,634	\$ 33,037,604

\$ 1,580,276	\$ 1,843,850	\$ (292,411)	\$ 1,627,893	\$ 4,465,649	\$ 4,789,169	\$ 6,939,148
(19,546)	(24,860)	69,309	(82,694)	(96,561)	(4,864)	150,531
\$ 1,560,730	\$ 1,818,990	\$ (223,102)	\$ 1,545,199	\$ 4,369,088	\$ 4,784,305	\$ 7,089,679

COUNTY OF SURRY, VIRGINIA  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	2016	2017	2018	2019
General fund				
Restricted	\$ -	\$ -	\$ -	\$ -
Committed	4,480,761	6,509,370	7,372,426	9,900,350
Assigned	-	-	-	-
Unassigned	13,442,281	12,813,118	12,783,307	10,494,377
Total general fund	<u>\$ 17,923,042</u>	<u>\$ 19,322,488</u>	<u>\$ 20,155,733</u>	<u>\$ 20,394,727</u>
All other governmental funds				
Committed	\$ 2,254,813	\$ 1,576,782	\$ -	\$ 3,302,030
Assigned	35,567	42,611	42,785	36,094
Unassigned	-	-	(618,860)	-
Total all other governmental funds	<u>\$ 2,290,380</u>	<u>\$ 1,619,393</u>	<u>\$ (576,075)</u>	<u>\$ 3,338,124</u>

Table 3

2020	2021	2022	2023	2024	2025
\$ -	\$ -	\$ -	\$ 69,274	\$ 109,978	\$ 124,635
11,093,362	8,130,065	12,313,115	-	-	-
-	-	-	9,700,787	10,022,438	11,296,252
7,881,289	10,096,160	7,077,703	10,700,901	10,722,881	14,509,711
<u>\$ 18,974,651</u>	<u>\$ 18,226,225</u>	<u>\$ 19,390,818</u>	<u>\$ 20,470,962</u>	<u>\$ 20,855,297</u>	<u>\$ 25,930,598</u>
\$ 520,373	\$ 6,579,075	\$ 5,879,658	\$ 7,905,949	\$ 6,053,752	\$ 5,819,498
36,094	52,729	-	-	-	-
(758,567)	-	(38,707)	(38,698)	(53,709)	(53,705)
<u>\$ (202,100)</u>	<u>\$ 6,631,804</u>	<u>\$ 5,840,951</u>	<u>\$ 7,867,251</u>	<u>\$ 6,000,043</u>	<u>\$ 5,765,793</u>

COUNTY OF SURRY, VIRGINIA  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	2016	2017	2018	2019
<b>Revenues</b>				
General property taxes	\$ 20,939,138	\$ 21,692,941	\$ 21,670,403	\$ 21,600,237
Other local taxes	706,543	610,920	780,408	1,126,200
Permits, privilege fees and licenses	37,354	39,843	49,723	57,890
Fines and Forfeitures	20,043	43,375	34,210	59,254
Revenue from use of money & property	154,325	226,484	368,134	701,171
Charges for services	143,267	124,435	97,301	266,638
Miscellaneous	54,442	70,236	164,975	156,952
Recovered costs	29,588	20,149	95,520	23,781
Commonwealth of Virginia	2,173,971	2,410,290	2,466,263	2,394,276
Federal Government	1,264,302	944,770	929,239	921,798
<b>Total revenues</b>	<b>\$ 25,522,973</b>	<b>\$ 26,183,443</b>	<b>\$ 26,656,176</b>	<b>\$ 27,308,197</b>
<b>Expenditures</b>				
General government administration	\$ 1,655,003	\$ 1,433,635	\$ 1,655,924	\$ 1,815,006
Judicial administration	476,120	570,201	565,128	625,561
Public Safety	2,968,027	3,054,207	3,289,980	3,398,314
Public works	1,290,413	1,510,054	1,407,940	1,554,097
Health and welfare	2,340,943	2,279,521	2,301,035	2,433,879
Education	12,145,887	11,871,307	12,758,905	12,138,405
Community development	694,471	563,922	597,532	692,578
Parks, recreation and cultural	521,082	524,311	504,458	773,470
Capital projects	3,288,574	954,910	2,948,838	4,236,211
Debt service:				
Principal	1,045,000	1,085,000	1,125,000	1,055,000
Interest and other fiscal charges	847,335	813,234	766,759	840,248
<b>Total Expenditures</b>	<b>\$ 27,272,855</b>	<b>\$ 24,660,302</b>	<b>\$ 27,921,499</b>	<b>\$ 29,562,769</b>
<b>Revenues over (under) expenditures</b>	<b>\$ (1,749,882)</b>	<b>\$ 1,523,141</b>	<b>\$ (1,265,323)</b>	<b>\$ (2,254,572)</b>
<b>Other financing sources (uses)</b>				
Transfers in	\$ 1,549,848	\$ 80,000	\$ 428,097	\$ 1,490,945
Transfers out	(1,718,407)	(874,682)	(524,997)	(1,574,135)
Issuance of bonds	-	-	-	5,875,000
Bond issuance premium	-	-	-	615,955
Payment to refunding bond agent	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>\$ (168,559)</b>	<b>\$ (794,682)</b>	<b>\$ (96,900)</b>	<b>\$ 6,407,765</b>
<b>Net change in fund balances</b>	<b>\$ (1,918,441)</b>	<b>\$ 728,459</b>	<b>\$ (1,362,223)</b>	<b>\$ 4,153,193</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>7.78%</b>	<b>7.97%</b>	<b>7.43%</b>	<b>7.27%</b>

Table 4

	2020	2021	2022	2023	2024	2025
\$	22,023,784	\$ 23,138,148	\$ 24,660,651	\$ 26,112,350	\$ 26,661,751	\$ 28,969,765
	1,118,145	1,057,335	1,445,077	1,701,749	2,148,839	2,647,320
	38,408	79,962	185,901	482,391	144,310	517,139
	31,272	35,900	42,752	51,006	35,186	54,618
	452,566	190,882	175,664	1,650,247	1,484,549	850,006
	229,217	225,173	243,449	199,025	300,054	368,291
	315,529	925,865	324,139	684,139	820,602	334,859
	35,967	58,622	65,545	155,742	151,696	160,215
	2,629,458	3,585,365	4,186,123	2,933,812	3,142,389	3,105,373
	2,075,253	2,081,867	1,304,543	1,206,052	1,224,411	2,511,423
\$	28,949,599	\$ 31,379,119	\$ 32,633,844	\$ 35,176,513	\$ 36,113,787	\$ 39,519,009
\$	1,858,332	\$ 2,030,298	\$ 2,658,554	\$ 3,205,228	\$ 3,850,932	\$ 4,353,337
	660,930	707,203	747,537	779,714	930,678	866,017
	3,543,384	3,557,728	3,807,481	4,229,664	4,967,434	4,798,262
	1,564,133	1,650,682	1,596,296	1,613,048	1,679,806	1,567,677
	3,029,935	3,573,667	3,024,030	3,043,022	3,034,178	3,144,107
	12,106,306	11,926,855	12,429,222	12,864,200	13,101,763	13,409,060
	628,855	1,896,200	1,452,587	1,029,326	1,123,481	1,247,696
	755,205	515,986	468,228	538,986	628,599	658,233
	7,554,938	3,456,744	3,658,958	2,399,276	5,961,205	3,333,312
	1,165,000	1,225,000	1,510,000	1,565,000	1,610,000	1,831,227
	933,265	2,282,753	770,040	720,505	667,944	615,797
\$	33,800,283	\$ 32,823,116	\$ 32,122,933	\$ 31,987,969	\$ 37,556,020	\$ 35,824,725
\$	(4,850,684)	\$ (1,443,997)	\$ 510,911	\$ 3,188,544	\$ (1,442,233)	\$ 3,694,284
\$	2,778,618	\$ 3,661,588	\$ 1,804,367	\$ 3,179,093	\$ 2,819,000	\$ 2,636,344
	(2,888,233)	(3,804,978)	(1,941,538)	(3,261,193)	(2,859,640)	(2,676,984)
	-	14,830,000	-	-	-	588,044
	-	847,865	-	-	-	-
	-	(8,005,000)	-	-	-	-
\$	(109,615)	\$ 7,529,475	\$ (137,171)	\$ (82,100)	\$ (40,640)	\$ 547,404
\$	(4,960,299)	\$ 6,085,478	\$ 373,740	\$ 3,106,444	\$ (1,482,873)	\$ 4,241,688
	7.65%	11.12%	7.68%	7.74%	6.49%	7.33%

COUNTY OF SURRY, VIRGINIA  
Principal Real Property Taxpayers  
Current and Nine Years Ago

Table 5

Taxpayer	2025			2016		
	Rank	Assessed Valuation (1)	Percentage of Total Assessed Valuation	Rank	Assessed Valuation (2)	Percentage of Total Assessed Valuation
Dominion/ VEPCO	1	\$ 2,197,092,555	67.21%	1	\$ 1,760,038,267	66.12%
New Sustainable Property Holdings, LLC	2	41,776,800	1.28%			
Cavalier Solar A, LLC	3	33,809,475	1.03%			0.00%
Spring Grove Solar, LLC	4	32,805,400	1.00%			0.00%
Schorsch/Meadow Court Trust/Swann's Point/YMIS LLC/Surry Landing LLC	5	24,873,400	0.76%	2	25,212,700	0.95%
Wanro LLC/Claremont LLC/Montclare LLC	6	13,894,200	0.42%	3	11,044,400	0.41%
Smithfield Hog Production/Smithfield-Carrolls	7	13,553,400	0.41%	5	8,813,100	0.33%
Beechland Farms/Alliance Farms/Bacons Castle LLC/Colonial Ag/Cheriton Farms/Berryman	8	13,663,200	0.42%	4	9,591,500	0.36%
Prince George Electric Cooperative	9	11,173,277	0.34%	6	8,732,784	0.33%
Timbervest Partners (III) of VA LLC	10	7,809,200	0.24%	7	8,365,200	0.31%
Windsor Mill	11	6,571,700	0.20%	8	5,135,500	0.19%
Columbia Gas Transmission	12	5,626,806	0.17%			0.00%
Andrews Acres LLC/Andrews Acres II LLC/Andrews	13	5,360,500	0.16%			0.00%
John Hancock Mutual Life Insurance	14	4,409,600	0.13%	11	3,861,200	0.15%
Verizon South	15	3,145,494	0.10%			
Colonial Pipeline	16	2,155,411	0.07%	12		0.00%
Sussex Surry LLC/Brandon Trust/Brandon			0.00%	9	4,139,600	0.16%
Grayland/Gray Lumber Co.			0.00%	10	4,067,000	0.15%
Commonwealth Forest Investment			0.00%	13	3,276,800	0.12%
Spring Grove Land Association			0.00%	14	3,209,800	0.12%
		<u>\$ 2,417,720,418</u>	<u>73.95%</u>		<u>\$ 1,855,487,851</u>	<u>69.70%</u>
Total Assessed Valuation of RE		<u>\$ 3,269,226,883</u>	<u>100.00%</u>		<u>\$ 2,662,002,981</u>	<u>100.00%</u>

Notes:  
(1) 2024 Real Estate Assessments.  
(2) 2015 Real Estate Assessments.

COUNTY OF SURRY, VIRGINIA  
Property Tax Levies and Collections  
Last Ten Fiscal Years

Table 6

Fiscal Year	Taxes Levied for the Fiscal Year (1)	Collections within the Fiscal Year of the Levy		Adjustments to Levy in Subsequent Years	Total Adjusted Levy	Collections in Subsequent Years	Total Collections to Date	
		Amount (2)	Percentage of Levy				Amount (2)	Percentage of Levy
2025 <sup>(3)</sup>	\$ 29,849,250	\$ 28,191,386	94.45%	\$ -	29,849,250	\$ -	28,191,386	94.45%
2024	27,073,889	26,150,963	96.59%	-	27,073,889	-	26,150,963	96.59%
2023	26,272,878	25,689,214	97.78%	-	26,272,878	-	25,689,214	97.78%
2022	24,602,613	24,265,537	98.63%	-	24,602,613	-	24,265,537	98.63%
2021	22,639,708	22,617,499	99.90%	-	22,639,708	-	22,617,499	99.90%
2020	22,050,583	21,635,774	98.12%	-	22,050,583	-	21,635,774	98.12%
2019	21,468,868	21,132,164	98.43%	-	21,468,868	-	21,132,164	98.43%
2018	21,954,582	21,554,346	98.18%	-	21,954,582	-	21,554,346	98.18%
2017	22,454,884	21,909,904	97.57%	-	22,454,884	-	21,909,904	97.57%
2016	21,650,045	20,775,506	95.96%	-	21,650,045	-	20,775,506	95.96%

Notes:

- (1) Commissioner of the Revenue
- (2) Exclusive of Penalties and Interest
- (3) In FY2025, the County began collecting personal property taxes twice a year

COUNTY OF SURRY, VIRGINIA  
 Assessed and Estimated Actual Value of Real Property  
 Last Ten Fiscal Years

Table 7

Tax Year	Residential/ Agricultural Property (3)	Commercial Property (3)	Total Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Value (1)	Taxable Assessed Value as a % of Taxable Value
2025	\$ 1,365,478,300	\$ 51,887,300	\$ 1,417,365,600	\$ 0.71	\$ 1,417,365,600	100.00% (2)
2024	1,218,804,500	44,460,300	1,263,264,800	0.71	1,263,264,800	100.00% (2)
2023	1,209,311,400	43,149,600	1,252,461,000	0.71	1,252,461,000	100.00% (2)
2022	1,070,814,100	41,913,800	1,112,727,900	0.72	1,112,727,900	100.00% (2)
2021	929,841,600	35,157,400	964,999,000	0.77	964,999,000	100.00% (2)
2020	926,215,300	34,778,200	960,993,500	0.71	960,993,500	100.00% (2)
2019	914,088,000	35,866,600	949,954,600	0.71	949,954,600	100.00% (2)
2018	892,809,300	34,673,900	927,483,200	0.71	927,483,200	100.00% (2)
2017	888,941,000	34,205,000	923,146,000	0.71	923,146,000	100.00% (2)
2016	883,676,800	34,266,700	917,943,500	0.71	917,943,500	100.00% (2)

Notes:

- (1) Estimated value of real estate based on sales ratio percentage for the corresponding tax years as computed by the Virginia Department of Taxation.
- (2) Tax rate per \$100 of assessed value.
- (3) Real estate assessment information provided by the commissioner of the revenue.

COUNTY OF SURRY, VIRGINIA  
 Assessed Value of Taxable Property Other than Real Property  
 Last Ten Fiscal Years

Table 8

Fiscal Year	Personal Property (1)	Machinery & Tools (1)	Aircraft (1)	Public Service (2,3)	Total
2025 <sup>(4)</sup>	\$ 162,860,495	\$ 1,988,880	\$ 500	\$ 2,263,210,309	\$ 2,428,060,184
2024	84,426,653	2,147,435	555	2,189,660,227	2,276,234,870
2023	90,695,866	2,276,270	615	2,156,940,126	2,249,912,877
2022	67,990,827	2,398,886	685	1,995,996,993	2,066,387,391
2021	60,515,225	2,431,696	1,135	2,049,700,758	2,112,648,814
2020	59,678,167	2,813,507	1,260	1,935,274,114	1,997,767,048
2019	56,830,130	2,255,765	1,400	1,892,813,173	1,951,900,468
2018	54,401,525	2,366,490	4,005	1,927,140,899	1,983,912,919
2017	53,527,229	2,876,946	4,450	1,937,479,967	1,993,888,592
2016	51,381,116	2,228,648	4,945	1,785,663,243	1,839,277,952

**Notes:**

- (1) Assessed value information provided by the Commissioner of Revenue.
- (2) Public Service Corporation property assessments performed by the State Corporation Commission.
- (3) Includes Real Estate.
- (4) In FY2025, the County began collecting personal property taxes twice a year

FY 2021 Public Service includes the Dominion VEPCO supplement.

COUNTY OF SURRY, VIRGINIA  
Ratio of Outstanding Debt by Type  
Last Ten Fiscal Years

Table 9

Fiscal Year	Governmental Activities			Business-Type Activities	Summary Totals		
	General Obligation Bonds	Lease Revenue Bonds Payable	Equipment Purchase Agreement	Revenue Bonds Payable	Total Primary Government	Percentage of Personal Income (1)	Per Capita Personal Income (1)
2025	\$ 873,936	\$ 17,690,010	\$ 416,817	\$ -	\$ 18,980,763	**	N/A
2024	1,062,420	19,341,773	-	-	20,404,193	5.59%	55,483
2023	1,245,904	20,948,536	-	-	22,194,440	6.49%	52,228
2022	1,419,388	22,536,700	-	-	23,956,088	7.07%	51,916
2021	1,582,872	24,095,460	-	-	25,678,332	8.39%	46,863
2020	1,736,356	18,562,319	-	-	20,298,675	7.08%	44,647
2019	1,884,841	19,845,387	-	-	21,730,228	7.23%	46,413
2018	2,023,325	14,526,873	-	-	16,550,198	5.96%	42,427
2017	2,285,293	16,989,454	-	597,742	19,872,489	7.54%	41,337
2016	2,403,777	18,191,382	-	662,613	21,257,772	7.75%	40,509

**Notes:**

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) Population data & estimates for 2008 through 2016, and personal income and per capital personal income data for 2008 through 2016 were obtained from the Bureau of Economic Analysis.

\*\* Information not available.

COUNTY OF SURRY, VIRGINIA  
Ratio of Outstanding General Bonded Debt  
Last Ten Fiscal Years

Table 10

Fiscal Year	General Obligation Bonds	Lease Revenue Bond Payable	Equipment Purchase Agreement	Total General Bonded Debt	General Bonded Debt Per Capita	Percent of General Bonded Debt to Assessed Real Property Value
2025	\$ 873,936	\$17,690,010	\$ 416,817	\$18,980,763	**	1.34%
2024	1,062,420	19,341,773	-	20,404,193	3,101	1.62%
2023	1,245,904	20,948,536	-	22,194,440	3,387	1.77%
2022	1,419,388	22,536,700	-	23,956,088	3,670	2.15%
2021	1,582,872	24,095,460	-	25,678,332	3,932	2.66%
2020	1,736,356	18,562,319	-	20,298,675	3,094	2.11%
2019	1,884,841	19,845,387	-	21,730,228	3,384	2.29%
2018	2,023,325	14,526,873	-	16,550,198	2,556	1.78%
2017	2,153,325	15,768,196	-	17,921,521	2,740	1.94%
2016	2,285,293	16,989,454	-	19,274,747	2,934	2.10%

Notes

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

Property value data can be found in Table 7.

Population data can be found in Table 11.

\*\* Information is unavailable.

COUNTY OF SURRY, VIRGINIA  
 Demographic and Economic Statistics  
 Last Ten Years

Table 11

Fiscal Year	(3) Population	(1) Per Capita Income	(1) Total Personal Income	(2) School Enrollment	(3) Unemployment Rate %
2025	**	\$ **	\$ **	654	4.0%
2024	6,579	55,483	365,020,000	654	3.1%
2023	6,552	52,228	342,198,000	652	2.7%
2022	6,527	51,916	338,854,000	630	3.1%
2021	6,530	46,863	306,014,000	628	3.8%
2020	6,561	43,701	286,722,000	693	7.5%
2019	6,422	46,789	300,479,000	715	3.9%
2018	6,474	46,413	300,479,000	729	3.9%
2017	6,540	42,427	277,471,000	826	4.8%
2016	6,570	40,139	263,711,000	837	5.3%

Notes: (1) Bureau of Economic Analysis  
 (2) Virginia Department of Education  
 (3) Virginia Labor Market Information (LMI)  
 \*\*Information Unavailable

COUNTY OF SURRY, VIRGINIA  
 Principal Employers  
 Current Year and Nine Years Ago

Table 12

Employer	Fiscal Year 2025			Fiscal Year 2016	
	Employees	Rank	% of Total Employment	Employees	Rank
Dominion Virginia Power	500-999	1	33.80%	500-999	1
The Atlantic Group Inc.	250-499	2	16.90%	100-249	4
Surry County School Board	100-249	3	7.89%	250-499	2
Surry County	100-249	4	7.89%	100-249	3
Windsor Mill	50-99	5	3.38%	20-49	8
Virginia Department of Transportation	50-99	6	3.38%	50-99	6
Coggin Electric Specialists	20-49	7	1.58%	20-49	13
Dominion Resources	20-49	8	1.58%	20-49	10
The Surry Seafood Company	20-49	9	1.58%		
Surry County Department of Social Services	20-49	10	1.58%	20-49	9
Morelia Surry Inc	20-49	11	1.58%		
Spring Grove Timber And Mat	20-49	12	1.58%		
Virginia Department of Conservation	20-49	13	1.58%	20-49	15
Glen Court	20-49	14	1.58%		
Wectec Staffing Services LLC	20-49	15	1.58%		
Brock Services, LLC				50-99	5
Coastal Waters Contracting and Roofing				20-49	7
Fluor Daniel Services Corporation				20-49	11
S.W. Edwards and Sons				20-49	12
Seward Lumber Company Inc.				20-49	14

Source: Virginia Employment Commission

COUNTY OF SURRY, VIRGINIA  
 Full-Time Equivalent County Government Employees by Function/Program  
 Last Ten Fiscal Years

Table 13

	Full-Time Equivalent Employees as of June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>General government:</b>										
County Administration	4.0	4.0	4.0	4.8	4.0	4.0	3.3	3.9	3.9	3.9
County Attorney	2.0	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commissioner of the Revenue	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Treasurer	4.0	4.0	4.0	4.0	4.7	3.7	3.7	3.7	4.0	4.0
Finance	2.0	4.0	4.0	5.0	2.0	2.0	2.0	2.0	2.0	2.0
Human Resources	1.0	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Information Technologies	3.6	3.6	3.6	3.6	2.0	2.0	2.0	1.0	1.0	1.0
Registrar	2.0	2.0	2.0	2.0	1.6	1.6	1.6	1.6	1.6	1.6
<b>Total General Government</b>	<b>21.8</b>	<b>24.8</b>	<b>24.8</b>	<b>22.6</b>	<b>17.5</b>	<b>16.5</b>	<b>15.8</b>	<b>15.4</b>	<b>15.7</b>	<b>15.7</b>
<b>Judicial Administration:</b>										
Clerk of the Circuit Court	4.0	4.0	4.0	4.0	3.4	3.4	3.4	3.4	3.3	3.3
General District Court	2.0	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Victim Witness	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Commonwealth Attorney	2.8	2.8	2.8	2.8	2.8	2.0	2.0	2.0	2.0	2.0
<b>Total Judicial Administration</b>	<b>9.8</b>	<b>10.1</b>	<b>10.1</b>	<b>10.1</b>	<b>9.5</b>	<b>8.7</b>	<b>8.7</b>	<b>8.7</b>	<b>8.6</b>	<b>8.6</b>
<b>Public Safety:</b>										
Sheriff's Office	29.3	29.3	29.3	29.3	28.3	27.3	27.3	27.3	26.3	26.3
Fire and Emergency Services	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Animal Control	3.0	3.0	3.0	2.6	3.0	3.0	3.0	3.0	3.0	3.0
<b>Total Public Safety</b>	<b>34.3</b>	<b>35.3</b>	<b>35.3</b>	<b>34.9</b>	<b>34.3</b>	<b>33.3</b>	<b>33.3</b>	<b>33.3</b>	<b>32.3</b>	<b>32.3</b>
<b>Public Works:</b>										
Sanitation	12.1	12.1	12.1	12.1	12.1	13.4	14.4	14.4	14.4	12.7
Maintenance	3.2	6.0	6.0	7.0	7.0	6.0	4.7	4.7	4.7	4.7
<b>Total Public Works</b>	<b>15.3</b>	<b>18.1</b>	<b>18.1</b>	<b>19.1</b>	<b>19.1</b>	<b>19.4</b>	<b>19.1</b>	<b>19.1</b>	<b>19.1</b>	<b>17.4</b>
<b>Office on Youth:</b>										
Office on Youth	2.0	3.0	4.0	4.0	5.0	6.0	6.0	6.0	6.0	6.0
<b>Total Office on Youth</b>	<b>2.0</b>	<b>3.0</b>	<b>4.0</b>	<b>4.0</b>	<b>5.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>
<b>Health and Welfare:</b>										
Social Services	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0
<b>Total Health and Welfare</b>	<b>23.0</b>	<b>23.0</b>	<b>23.0</b>	<b>23.0</b>	<b>23.0</b>	<b>23.0</b>	<b>23.0</b>	<b>23.0</b>	<b>23.0</b>	<b>23.0</b>
<b>Parks, Recreation and Cultural</b>										
Parks and Recreation	3.0	4.0	5.0	5.0	5.0	6.4	6.4	6.4	6.4	6.4
<b>Total Parks, Recreation and Cultural</b>	<b>3.0</b>	<b>4.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>6.4</b>	<b>6.4</b>	<b>6.4</b>	<b>6.4</b>	<b>6.4</b>
<b>Community Development</b>										
Planning/Environmental/Permitting	4.0	4.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0
Economic Development	2.0	3.0	2.0	4.4	4.4	1.5	2.0	0.1	0.1	0.1
Tourism	1.5	1.5	2.0	0.0	0.0	1.6	N/A	N/A	N/A	N/A
Building Inspections	3.0	3.0	3.0	4.0	2.0	2.0	2.0	2.0	2.0	2.0
Extension	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
<b>Total Community Development</b>	<b>13.5</b>	<b>14.5</b>	<b>15.0</b>	<b>16.4</b>	<b>14.4</b>	<b>12.1</b>	<b>11.0</b>	<b>9.1</b>	<b>9.1</b>	<b>9.1</b>
<b>Total</b>	<b>122.7</b>	<b>132.8</b>	<b>135.3</b>	<b>135.1</b>	<b>127.8</b>	<b>125.4</b>	<b>123.3</b>	<b>121.0</b>	<b>120.2</b>	<b>118.5</b>

Source: Payroll Clerk

COUNTY OF SURRY, VIRGINIA  
 Operating Indicators by Function  
 Last Ten Fiscal Years (where available)

Table 14

		Fiscal Year									
		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public Safety (1)	Number of calls answered	853	305	261	377	295	239	331	318	189	321
Community Development (2)	Residential building permits	390	397	370	365	295	233	307	219	217	255
	Commercial building permits	19	12	11	13	5	2	2	5	3	2
Parks & Recreation (3)	Program participants	21,337	18,737	13,744	7,768	986	14,592	20,150	20,144	19,850	19,850
Sewer (4)	Service connections	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	141
	Average daily consumption in gallons	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	14,152

Sources:  
 (1) County Fire Departments  
 (2) Building Official's Office  
 (3) Parks and Recreation Department  
 (4) Finance Department

Note: The wastewater system was transferred to Hampton Roads Sanitation District (HRSD) in FY2017-18.

COUNTY OF SURRY, VIRGINIA  
 Capital Asset Statistics by Function/Program  
 Last Ten Fiscal Years

Table 15

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Sheriff's Office (1)										
Number of stations	1	1	1	1	1	1	1	1	1	1
Physical arrests	45	36	123	64	173	155	170	170	170	164
Patrol units	15	15	15	15	15	14	14	14	14	14
Volunteer Fire Departments (2)										
Companies	4	4	4	4	4	4	4	4	4	4
Stations	4	4	4	4	4	4	4	4	4	4
Parks and Recreation (3)										
Community Centers	1	1	1	1	1	1	1	1	1	1
Number of parks maintained	1	1	1	1	1	1	1	1	1	1
Park acreage owned by the County	100	100	100	100	100	100	100	100	100	100
Baseball/softball fields	2	2	2	2	2	2	2	2	2	2
T-ball fields	1	1	1	1	1	1	1	1	1	1
Soccer fields	5	5	5	5	5	5	5	5	5	5
Basketball courts	3	3	3	3	3	3	3	3	3	3
Library (4)										
Number of libraries	2	2	2	2	2	2	2	2	2	2
Public Utilities (4)										
Wastewater System										
Service connections	N/A	141								
Average daily consumption in gallons	N/A	14,152								
Miles of sewer main	3.64	3.64	3.64	3.64	3.64	3.64	3.64	3.64	3.64	3.64
Component Unit - School Board (5)										
Number of elementary schools	1	1	1	1	1	1	1	1	1	1
Number of middle schools	1	1	1	1	1	1	1	1	1	1
Number of secondary schools	1	1	1	1	1	1	1	1	1	1
Number of school buses	37	37	37	37	40	42	40	35	38	35

- Sourc (1) Sheriff's Office
- (2) County Fire Departments
- (3) Parks & Recreation Department
- (4) Finance Department
- (5) School Board Office

Note:

The wastewater system was transferred to Hampton Roads Sanitation District (HRSD) in FY2017-18.

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*COMPLIANCE SECTION*

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Surry, Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise County of Surry, Virginia's basic financial statements, and have issued our report thereon dated November 26, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered County of Surry, Virginia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of County of Surry, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Surry, 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 have not been identified. We did identify a certain deficiency in internal control described in the accompanying schedule of findings and questioned costs as 2025-001 that we consider to be a material weakness.

## Report on Compliance and Other Matters

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

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



Richmond, Virginia  
November 26, 2025



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

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

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

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

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

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

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

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

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

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

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

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

## Report on Internal Control over Compliance (Continued)

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

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

*Robinson, Farmer, Cox Associates*

Richmond, Virginia  
November 26, 2025

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

Federal Grantor/State Pass - Through Grantor/ Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>Department of Health and Human Services:</b>			
Pass Through Payments:			
Virginia Department of Social Services:			
Guardianship Assistance	93.090	1110124/1110125	\$ 221
Title IV-E Prevention Program	93.472	1140124/1140125	4,790
Temporary Assistance for Needy Families	93.558	0400124/0400125	162,780
		0950123/0950124/	
Marylee Allen Promoting Safe and Stable Families Program	93.556	0980120	33,829
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500125	461
Low-Income Home Energy Assistance	93.568	0600424/0600425	33,315
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF Cluster)	93.596	0760124/0760125	32,840
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900123/0900124	573
Foster Care - Title IV-E	93.658	1100124/1100125	94,680
Adoption Assistance	93.659	1120124/1120125	21,637
Social Services Block Grant	93.667	1000124/1000125	217,558
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150123/9150124	1,187
Children's Health Insurance Program	93.767	0540124/0540125	3,014
Medical Assistance Program (Medicaid Cluster)	93.778	1200124/1200125	257,449
Total Department of Health and Human Services			<u>\$ 864,334</u>
<b>Department of Homeland Security:</b>			
Pass Through Payments:			
Virginia Department of Emergency Management:			
COVID-19 - Emergency Management Performance Grant	97.042	202399159552	<u>\$ 7,197</u>
<b>Department of Justice:</b>			
Pass Through Payments:			
Virginia Department of Criminal Justice Services:			
Crime Victim Assistance	16.575	24-00989VW20/ 25- 00989VW22	<u>\$ 40,732</u>
<b>Department of Transportation:</b>			
Pass Through Payments:			
Virginia Department of Transportation:			
State and Community Highway Safety (Highway Safety Cluster)	20.600	202454181/ 202555041	<u>\$ 8,221</u>
<b>Department of the Defense:</b>			
Direct Payments:			
Junior ROTC	12.U01	N/A	<u>\$ 91,229</u>
<b>Department of Agriculture:</b>			
Pass Through Payments:			
Virginia Department of Education:			
Summer Food Service Program for Children (Child Nutrition Cluster)	10.559	202424N11994	\$ 13,449
COVID-19 - Summer Food Service Program for Children (Child Nutrition Cluster)	10.559	Unavailable	582
			<u>\$ 14,031</u>
Virginia Department of Agriculture and Consumer Services:			
Food Distribution - National School Lunch Program (Child Nutrition Cluster)	10.555	Unavailable	\$ 41,862
Virginia Department of Education:			
National School Lunch Program (Child Nutrition Cluster)	10.555	202424N11994/ 202524N11994/ 202525N11994	369,446
			<u>\$ 411,308</u>

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

Federal Grantor/State Pass - Through Grantor/ Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>Department of Agriculture: (Continued)</b>			
Pass Through Payments: (Continued)			
Virginia Department of Education: (Continued)			
School Breakfast Program (Child Nutrition Cluster)	10.553	202424N11994/ 202525N10994/ 202525N11994	\$ 199,840
Total Child Nutrition Cluster			\$ 625,179
Child and Adult Care Food Program Virginia Department of Social Services:	10.558	202423N11994/ 202524N11994/ 202525N11994	4,712
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	0010124/0010125/ 0030125/0040124/ 0040125/0050124/ 0050125	334,050
Total Department of Agriculture			<u>\$ 963,941</u>
<b>Department of Treasury:</b>			
Direct Payments:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds			
Pass Through Payments:	21.027	N/A	\$ 1,127,044
Virginia Department of Criminal Justice:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	509322	129,395
			<u>\$ 1,256,439</u>
<b>Department of Education:</b>			
Pass Through Payments:			
Virginia Department of Education:			
Title I Grants to Local Educational Agencies	84.010	S010A220046	\$ 227,544
Special Education - Grants to States (Special Education Cluster)	84.027	H027A220107	228,529
Career and Technical Education - Basic Grants to States	84.048	V048A240046	19,016
Supporting Effective Instruction State Grants	84.367	S367A230044	33,983
Student Support and Academic Enrichment Program	84.424	S424A220048	16,412
Virginia Commonwealth University:			
Supporting Effective Educator Development Program	84.423	Unavailable	17,317
Total Department of Education			<u>\$ 542,801</u>
Total Expenditures of Federal Awards			<u><u>\$ 3,774,894</u></u>

See accompanying notes to schedule of expenditures of federal awards.

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

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Note A - Basis of Presentation

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

Note B - Summary of Significant Accounting Policies

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

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

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

Note C - Food Donation

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

Note D - Subrecipients

No awards were passed through to subrecipients.

Note E - Loan Balances

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

Note F - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:	
General Fund	\$ 2,511,423
Total primary government	\$ 2,511,423
Component Unit School Board:	
School Operating Fund	\$ 634,030
School Cafeteria Fund	629,891
Total component unit school board	\$ 1,263,921
Total federal expenditures per basic financial statements	\$ 3,775,344
Less: Payment in Lieu of Taxes	450
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ 3,774,894

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

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

**Financial Statements**

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

**Federal Awards**

Internal control over major programs:  
 Material weakness(es) identified?          yes ✓ no  
 Significant deficiency(ies) identified?          yes ✓ none reported

Type of auditors' report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?          yes ✓ no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

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

Auditee qualified as low-risk auditee?          yes ✓ no

County of Surry, Virginia  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2025

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**Section II-Financial Statement Findings**

2025-001 (material weakness)

- Criteria:** Identification of material adjustments to the financial statements that were not detected by the entity's internal controls indicates that a material weakness exists.
- Condition:** The financial statements did not contain all necessary adjustments to reconcile to the entity's internal documents to comply with generally accepted accounting principles (GAAP) due to bank accounts not being reconciled.
- Effect:** There is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected by the entity's internal controls over financial reporting.
- Cause:** Internal controls were not in place over financial reporting and bank reconciliations were not completed accurately.
- Recommendation:** The County should implement steps and controls to improve its bank reconciliation process by ensuring timely (monthly) and accurate reconciliations completed by and reviewed by personnel with appropriate training and experience.
- Management's Response:** The County is taking corrective action for FY26.

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

None

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

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**Findings - Financial Statement Audit:**

2024-001

**Condition:** The financial statements did not contain all necessary adjustments to reconcile to the entity's internal documents to comply with generally accepted accounting principles (GAAP) due to bank accounts not being reconciled.

**Recommendation:** The County should implement steps and controls to improve its bank reconciliation process by ensuring timely (monthly) and accurate reconciliations completed by and reviewed by personnel with appropriate training and experience.

**Current Status:** Finding 2024-001 is repeated in the current year as 2025-001.