

County of Wythe, Virginia

Financial Statements



Fiscal Year Ended June 30, 2024

COUNTY OF WYTHE, VIRGINIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2024

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

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INTRODUCTORY SECTION

COUNTY OF WYTHE, VIRGINIA

BOARD OF SUPERVISORS

	Brian Vaught, Chair	
Rolland Cook, Vice Chair		Jesse Burnett
Ryan Lawson		Dicky Morgan
Jamie Smith		Stacy Terry
	Martha Collins, Clerk	

COUNTY SCHOOL BOARD

	Peggy Wagy, Chair	
Ann Manley, Vice Chair		Hilary Billings
Chalmer Frye		Don Goode
Steven King		Julia Tomiak
	Catrina Hall, Clerk	

SOCIAL SERVICES BOARD

	Jonathan Hammon, Chair	
Maggie Harless, Vice Chair		Audra Lucas
Sandra Thomas		Brian Vaught
	Kimberly Ayers, Clerk	

OTHER OFFICIALS

Judge of the Circuit Court	Josiah T. Showalter, Jr.
Clerk of the Circuit Court	Jeremiah Musser
Judge of the General District Court	Gino Williams
Judge of the Juvenile & Domestic Relations Court	Bradley Dalton
Commonwealth's Attorney	Mike Jones
Commissioner of the Revenue	Adam Linkous
Treasurer	Lori Guynn
Sheriff	Charles Foster
Superintendent of Schools	Dr. G Wesley Poole
Director of Social Services	Kimberly Ayers
County Administrator	Stephen Bear
County Attorney	Scot S. Farthing

FINANCIAL SECTION



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Independent Auditors' Report

To the Honorable Members of
the Board of Supervisors of the
County of Wythe, 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 unit, each major fund, and the aggregate remaining fund information of the County of Wythe, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County of Wythe, Virginia's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Change in Accounting Principle

As described in Note 22 to the financial statements, in 2024, the County adopted new accounting guidance, GASB Statement No. 100, *Accounting Changes and Error Corrections*. Our opinions are not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 23 to the financial statements, in 2024, the Component Unit School Board restated beginning balances to include Max Meadows Elementary School Activity Funds, which were previously excluded from the financial statements.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County of Wythe, Virginia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County of Wythe, 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 the County of Wythe, Virginia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Wythe, Virginia's basic financial statements. The accompanying 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 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 27, 2024, on our consideration of the County of Wythe, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County of Wythe, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Wythe, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Blacksburg, Virginia
November 27, 2024

Basic Financial Statements

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

	Primary Government			Component
	Governmental	Business-type	Total	Unit
	Activities	Activities		School Board
ASSETS				
Cash and cash equivalents	\$ 56,979,508	\$ 9,710,667	\$ 66,690,175	\$ 7,908,548
Receivables (net of allowance for uncollectibles):				
Taxes receivable	2,924,962	-	2,924,962	-
Accounts receivable	1,788,099	586,931	2,375,030	30,890
Leases receivable	2,214,731	-	2,214,731	-
Due from primary government	-	-	-	23,160
Due from other governmental units	3,134,049	2,860,836	5,994,885	3,305,584
Inventories	-	-	-	55,569
Prepaid expenses	685,990	-	685,990	965,604
Land held for resale	601,394	-	601,394	-
Restricted assets:				
Cash and cash equivalents	7,056,392	2,382,552	9,438,944	-
Capital assets, not being depreciated/amortized	27,929,961	5,908,990	33,838,951	19,250,988
Capital assets, net of accumulated depreciation/amortization	44,808,202	37,902,999	82,711,201	23,995,078
Total assets	<u>\$ 148,123,288</u>	<u>\$ 59,352,975</u>	<u>\$ 207,476,263</u>	<u>\$ 55,535,421</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	\$ 1,067,629	\$ 63,722	\$ 1,131,351	\$ 8,523,537
OPEB related items	262,219	13,463	275,682	1,453,649
Total deferred outflows of resources	<u>\$ 1,329,848</u>	<u>\$ 77,185</u>	<u>\$ 1,407,033</u>	<u>\$ 9,977,186</u>
LIABILITIES				
Accounts payable	\$ 685,630	\$ 73,305	\$ 758,935	\$ 541,243
Construction and retainage payables	81,727	3,313	85,040	1,615,427
Salaries payable	330,853	24,297	355,150	3,724,708
Customer deposits	-	38,032	38,032	-
Accrued interest payable	435,103	82,309	517,412	-
Due to component unit	23,160	-	23,160	-
Unearned revenue	370,621	-	370,621	1,419,849
Deposits held in escrow	7,000	-	7,000	-
Long-term liabilities:				
Due within one year	3,911,128	7,585,395	11,496,523	819,836
Due in more than one year	53,052,803	18,998,124	72,050,927	33,989,651
Total liabilities	<u>\$ 58,898,025</u>	<u>\$ 26,804,775</u>	<u>\$ 85,702,800</u>	<u>\$ 42,110,714</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes paid in advance	\$ 150,919	\$ -	\$ 150,919	\$ -
Lease related items	2,138,364	-	2,138,364	-
Pension related items	1,058,772	54,097	1,112,869	3,132,025
OPEB related items	255,014	12,799	267,813	2,017,406
Total deferred inflows of resources	<u>\$ 3,603,069</u>	<u>\$ 66,896</u>	<u>\$ 3,669,965</u>	<u>\$ 5,149,431</u>
NET POSITION				
Net investment in capital assets	\$ 25,618,290	\$ 17,420,619	\$ 43,038,909	\$ 41,630,033
Restricted:				
Law library	5,124	-	5,124	-
Property seizure	266,309	-	266,309	-
Bond covenants	-	2,344,520	2,344,520	-
Courtroom security	244,854	-	244,854	-
Clerk's records grant	28,874	-	28,874	-
JAG	2,828	-	2,828	-
Electronic summons	217,155	-	217,155	-
Concealed weapons	22,880	-	22,880	-
Opioid settlement receivable	1,462,108	-	1,462,108	-
School activity fund	-	-	-	1,553,754
School cafeterias	-	-	-	1,414,983
Unrestricted (deficit)	59,083,620	12,793,350	71,876,970	(26,346,308)
Total net position	<u>\$ 86,952,042</u>	<u>\$ 32,558,489</u>	<u>\$ 119,510,531</u>	<u>\$ 18,252,462</u>

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

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

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
PRIMARY GOVERNMENT:								
Governmental activities:								
General government administration	\$ 869,119	\$ 2,339	\$ 425,919	\$ -	\$ (440,861)	\$ -	\$ (440,861)	\$ -
Judicial administration	1,915,361	12,164	1,120,176	-	(783,021)	-	(783,021)	-
Public safety	9,460,018	1,639,362	4,694,175	-	(3,126,481)	-	(3,126,481)	-
Public works	3,572,288	43,870	21,076	-	(3,512,342)	-	(3,512,342)	-
Health and welfare	9,702,544	181,654	7,229,043	-	(2,291,847)	-	(2,291,847)	-
Education	17,194,056	-	-	-	(17,194,056)	-	(17,194,056)	-
Parks, recreation, and cultural	816,281	98,524	4,500	-	(713,257)	-	(713,257)	-
Community development	1,668,658	86,141	2,500	-	(1,580,017)	-	(1,580,017)	-
Interest on long-term debt	1,208,614	-	-	-	(1,208,614)	-	(1,208,614)	-
Total governmental activities	\$ 46,411,939	\$ 2,064,054	\$ 13,497,389	\$ -	\$ (30,850,496)	\$ -	\$ (30,850,496)	\$ -
Business-type activities:								
Water and sewer	\$ 4,798,598	\$ 4,180,415	\$ -	\$ 846,455	\$ -	\$ 228,272	\$ 228,272	\$ -
Total business-type activities	\$ 4,798,598	\$ 4,180,415	\$ -	\$ 846,455	\$ -	\$ 228,272	\$ 228,272	\$ -
Total primary government	\$ 51,210,537	\$ 6,244,469	\$ 13,497,389	\$ 846,455	\$ (30,850,496)	\$ 228,272	\$ (30,622,224)	\$ -
COMPONENT UNIT:								
School Board	\$ 55,335,311	\$ 2,761,987	\$ 40,941,695	\$ 10,206,321	\$ -	\$ -	\$ -	\$ (1,425,308)
Total component unit	\$ 55,335,311	\$ 2,761,987	\$ 40,941,695	\$ 10,206,321	\$ -	\$ -	\$ -	\$ (1,425,308)
General revenues:								
General property taxes					\$ 26,151,750	\$ -	\$ 26,151,750	\$ -
Other local taxes:								
Local sales and use taxes					5,632,206	-	5,632,206	-
Consumers' utility taxes					780,022	-	780,022	-
Motor vehicle licenses					472,655	-	472,655	-
Bank stock taxes					62,318	-	62,318	-
Taxes on recordation and wills					252,256	-	252,256	-
Hotel and motel room taxes					299,989	-	299,989	-
Restaurant food taxes					1,397,642	-	1,397,642	-
Admission tax					18,900	-	18,900	-
Cigarette tax					411,479	-	411,479	-
Unrestricted revenues from use of money					3,432,962	662,940	4,095,902	215,760
Miscellaneous					1,617,649	-	1,617,649	285,302
Payments from the County of Wythe, Virginia					-	-	-	17,147,417
Grants and contributions not restricted to specific programs					2,378,600	-	2,378,600	-
Total general revenues					\$ 42,908,428	\$ 662,940	\$ 43,571,368	\$ 17,648,479
Change in net position					\$ 12,057,932	\$ 891,212	\$ 12,949,144	\$ 16,223,171
Net position - beginning, as previously reported					74,894,110	31,667,277	106,561,387	2,027,671
Restatements					-	-	-	1,620
Net position - beginning, as restated					74,894,110	31,667,277	106,561,387	2,029,291
Net position - ending					\$ 86,952,042	\$ 32,558,489	\$ 119,510,531	\$ 18,252,462

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

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

	<u>General</u>	<u>County Capital Projects</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 50,700,654	\$ 6,278,854	\$ 56,979,508
Receivables (net of allowance for uncollectibles):			
Property taxes receivable	2,924,962	-	2,924,962
Accounts receivable	1,783,307	4,792	1,788,099
Leases receivable	2,182,730	32,001	2,214,731
Due from other governmental units	3,134,049	-	3,134,049
Prepaid items	685,990	-	685,990
Restricted assets:			
Cash and cash equivalents	7,056,392	-	7,056,392
Land held for resale	601,394	-	601,394
Total assets	<u>\$ 69,069,478</u>	<u>\$ 6,315,647</u>	<u>\$ 75,385,125</u>
LIABILITIES			
Accounts payable	\$ 685,630	\$ -	\$ 685,630
Construction and retainage payable	81,727	-	81,727
Salaries payable	330,853	-	330,853
Due to component unit	23,160	-	23,160
Unearned revenue	370,621	-	370,621
Deposits held in escrow	7,000	-	7,000
Total liabilities	<u>\$ 1,498,991</u>	<u>\$ -</u>	<u>\$ 1,498,991</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	\$ 2,644,111	\$ -	\$ 2,644,111
Unavailable revenue-land held for resale	601,394	-	601,394
Unavailable revenue-opioid settlement receivable	1,114,284	-	1,114,284
Lease related items	2,182,730	32,001	2,214,731
Total deferred inflows of resources	<u>\$ 6,542,519</u>	<u>\$ 32,001</u>	<u>\$ 6,574,520</u>
FUND BALANCES			
Nonspendable			
Prepaid expenses	\$ 685,990	\$ -	\$ 685,990
Restricted			
Law library	5,124	-	5,124
Property seizure	266,309	-	266,309
Capital projects	6,268,368	-	6,268,368
Courtroom security	244,854	-	244,854
Clerk's records grant	28,874	-	28,874
JAG	2,828	-	2,828
Electronic summons	217,155	-	217,155
Concealed weapons	22,880	-	22,880
Opioid settlement receivable	347,824	-	347,824
Committed for capital projects	2,292,527	6,283,646	8,576,173
Assigned			
Police activity	423,444	-	423,444
Unassigned	50,221,791	-	50,221,791
Total fund balances	<u>\$ 61,027,968</u>	<u>\$ 6,283,646</u>	<u>\$ 67,311,614</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 69,069,478</u>	<u>\$ 6,315,647</u>	<u>\$ 75,385,125</u>

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

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

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	67,311,614
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets not being depreciated/amortized	\$	27,929,961
Capital assets being depreciated/amortized		71,930,791
Accumulated depreciation/amortization		<u>(27,122,589)</u>
		72,738,163
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the funds. These amounts are as follows:		
Unavailable revenue - property taxes	\$	2,493,192
Leases receivable related items		76,367
Land held for resale		601,394
Unavailable revenue - opioid settlement receivable		<u>1,114,284</u>
		4,285,237
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items	\$	1,067,629
OPEB related items		<u>262,219</u>
		1,329,848
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
General obligation bonds	\$	(45,143,396)
Literary loans		(7,514,211)
Accrued interest payable		(435,103)
Unamortized bond premium		(2,625)
Lease liabilities		(646,282)
Compensated absences		(522,349)
Net OPEB liabilities		(1,205,984)
Net pension liability		<u>(1,929,084)</u>
		(57,399,034)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items	\$	(1,058,772)
OPEB related items		<u>(255,014)</u>
		(1,313,786)
Net position of governmental activities	\$	<u><u>86,952,042</u></u>

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

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

	<u>General</u>	<u>County Capital Projects</u>	<u>Total</u>
REVENUES			
General property taxes	\$ 26,009,099	\$ -	\$ 26,009,099
Other local taxes	9,327,467	-	9,327,467
Permits, privilege fees, and regulatory licenses	526,672	-	526,672
Fines and forfeitures	672,743	-	672,743
Revenue from the use of money and property	3,208,587	443,516	3,652,103
Charges for services	551,017	18,654	569,671
Miscellaneous	1,103,597	-	1,103,597
Recovered costs	1,825,961	450,000	2,275,961
Intergovernmental	15,875,989	-	15,875,989
Total revenues	<u>\$ 59,101,132</u>	<u>\$ 912,170</u>	<u>\$ 60,013,302</u>
EXPENDITURES			
Current:			
General government administration	\$ 2,976,725	\$ -	\$ 2,976,725
Judicial administration	1,982,513	-	1,982,513
Public safety	9,565,086	-	9,565,086
Public works	3,510,233	-	3,510,233
Health and welfare	9,866,753	-	9,866,753
Education	18,626,345	-	18,626,345
Parks, recreation, and cultural	756,657	-	756,657
Community development	1,267,837	-	1,267,837
Nondepartmental	338	-	338
Capital projects	7,882,029	-	7,882,029
Debt service:			
Principal retirement	3,640,366	-	3,640,366
Interest and other fiscal charges	1,185,089	-	1,185,089
Bond issuance costs	55,632	-	55,632
Total expenditures	<u>\$ 61,315,603</u>	<u>\$ -</u>	<u>\$ 61,315,603</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (2,214,471)</u>	<u>\$ 912,170</u>	<u>\$ (1,302,301)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 3,030,782	\$ -	\$ 3,030,782
Transfers out	-	(3,030,782)	(3,030,782)
Issuance of general obligation bonds	2,900,000	-	2,900,000
Issuance of lease liabilities	670,339	-	670,339
Sale of capital assets	67,858	-	67,858
Total other financing sources (uses)	<u>\$ 6,668,979</u>	<u>\$ (3,030,782)</u>	<u>\$ 3,638,197</u>
Net change in fund balances	\$ 4,454,508	\$ (2,118,612)	\$ 2,335,896
Fund balances - beginning	56,573,460	8,402,258	64,975,718
Fund balances - ending	<u>\$ 61,027,968</u>	<u>\$ 6,283,646</u>	<u>\$ 67,311,614</u>

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

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

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

Net change in fund balances - total governmental funds	\$	2,335,896
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the detail of items supporting this adjustment:

Capital outlays	\$ 14,694,938	
Depreciation/amortization expense	(2,631,915)	12,063,023

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.

Disposal of assets (includes transfers to School Board upon defeasance of related debt)		(3,715,702)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	\$ 142,651	
Opioid settlement	514,052	
Leases receivable	75,827	\$ 732,530

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

Debt issued or incurred:

Issuance of general obligation debt	\$ (2,900,000)	
Issuance of lease liabilities	(670,339)	

Principal repayments:

General obligation bonds, literary loans, and lease liabilities	3,640,366	70,027
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

Change in compensated absences	\$ (75,368)	
Change in accrued interest payable	28,747	
Change in OPEB related items	54,672	
Change in pension related items	560,747	
Amortization of bond premium	3,360	572,158

Change in net position of governmental activities	\$	<u>12,057,932</u>
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The notes to the financial statements are an integral part of this statement.

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

	Enterprise Funds		
	Water	Sewer	
	Department	Department	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 6,557,859	\$ 3,152,808	\$ 9,710,667
Accounts receivable (net of allowance)	402,399	184,532	586,931
Due from other governmental units	2,765,269	95,567	2,860,836
Total unrestricted current assets	\$ 9,725,527	\$ 3,432,907	\$ 13,158,434
Restricted current assets:			
Cash and cash equivalents	\$ 2,373,852	8,700	\$ 2,382,552
Total restricted current assets	\$ 2,373,852	\$ 8,700	\$ 2,382,552
Total current assets	\$ 12,099,379	\$ 3,441,607	\$ 15,540,986
Noncurrent assets:			
Capital assets, not being depreciated/amortized	\$ 1,431,198	\$ 4,477,792	\$ 5,908,990
Capital assets, net of accumulated depreciation/amortization	22,872,527	15,030,472	37,902,999
Total capital assets	\$ 24,303,725	\$ 19,508,264	\$ 43,811,989
Total noncurrent assets	\$ 24,303,725	\$ 19,508,264	\$ 43,811,989
Total assets	\$ 36,403,104	\$ 22,949,871	\$ 59,352,975
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	\$ 28,470	\$ 35,252	\$ 63,722
OPEB related items	6,593	6,870	13,463
Total deferred outflows of resources	\$ 35,063	\$ 42,122	\$ 77,185
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 57,338	\$ 15,967	\$ 73,305
Construction and retainage payable	-	3,313	3,313
Salaries payable	13,254	11,043	24,297
Customers' deposits	29,332	8,700	38,032
Accrued interest payable	52,744	29,565	82,309
Compensated absences - current portion	18,202	10,369	28,571
Bonds payable - current portion	5,346,475	2,210,349	7,556,824
Total current liabilities	\$ 5,517,345	\$ 2,289,306	\$ 7,806,651
Noncurrent liabilities:			
Compensated absences - net of current portion	\$ 6,067	\$ 3,456	\$ 9,523
Bonds payable - net of current portion	14,375,844	4,455,389	18,831,233
Net pension liability	47,250	49,583	96,833
Net OPEB liabilities	29,538	30,997	60,535
Total noncurrent liabilities	\$ 14,458,699	\$ 4,539,425	\$ 18,998,124
Total liabilities	\$ 19,976,044	\$ 6,828,731	\$ 26,804,775
DEFERRED INFLOWS OF RESOURCES			
Pension related items	\$ 26,917	\$ 27,180	\$ 54,097
OPEB related items	6,245	6,554	12,799
Total deferred inflows of resources	\$ 33,162	\$ 33,734	\$ 66,896
NET POSITION			
Net investment in capital assets	\$ 4,581,406	\$ 12,839,213	\$ 17,420,619
Restricted for bond covenants	2,344,520	-	2,344,520
Unrestricted	9,503,035	3,290,315	12,793,350
Total net position	\$ 16,428,961	\$ 16,129,528	\$ 32,558,489

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

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

	Enterprise Funds		
	Water	Sewer	
	Department	Department	Total
OPERATING REVENUES			
Charges for services:			
Water and sewer billings	\$ 2,515,815	\$ 1,660,512	\$ 4,176,327
Miscellaneous	4,088	-	4,088
Total operating revenues	<u>\$ 2,519,903</u>	<u>\$ 1,660,512</u>	<u>\$ 4,180,415</u>
OPERATING EXPENSES			
Personnel services	\$ 275,783	\$ 278,830	\$ 554,613
Fringe benefits	69,100	92,748	161,848
Professional services	14,426	16,095	30,521
Operating expenses	606,743	435,610	1,042,353
Purchase of water - regional plant	441,006	-	441,006
Repair and maintenance	159,476	251,289	410,765
Miscellaneous	91	-	91
Depreciation	933,078	732,934	1,666,012
Total operating expenses	<u>\$ 2,499,703</u>	<u>\$ 1,807,506</u>	<u>\$ 4,307,209</u>
Operating income (loss)	<u>\$ 20,200</u>	<u>\$ (146,994)</u>	<u>\$ (126,794)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest income	\$ 490,863	\$ 172,077	\$ 662,940
Gain on sale of assets	831	-	831
Interest expense	(369,035)	(123,185)	(492,220)
Total nonoperating revenues (expenses)	<u>\$ 122,659</u>	<u>\$ 48,892</u>	<u>\$ 171,551</u>
Income (loss) before contributions	<u>\$ 142,859</u>	<u>\$ (98,102)</u>	<u>\$ 44,757</u>
Capital contributions and construction grants	-	846,455	846,455
Change in net position	<u>\$ 142,859</u>	<u>\$ 748,353</u>	<u>\$ 891,212</u>
Total net position - beginning	16,286,102	15,381,175	31,667,277
Total net position - ending	<u>\$ 16,428,961</u>	<u>\$ 16,129,528</u>	<u>\$ 32,558,489</u>

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

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

	Enterprise Funds		
	Water Department	Sewer Department	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 2,435,664	\$ 1,585,326	\$ 4,020,990
Payments to suppliers	(1,236,067)	(771,157)	(2,007,224)
Payments to and for employees	(374,557)	(382,443)	(757,000)
Net cash provided by (used for) operating activities	\$ 825,040	\$ 431,726	\$ 1,256,766
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital asset additions	\$ (471,758)	\$ (1,542,451)	\$ (2,014,209)
Construction grants	288,296	750,888	1,039,184
Principal payments on bonds	(831,358)	(700,361)	(1,531,719)
Proceeds from indebtedness	-	383,818	383,818
Interest expense	(370,836)	(125,574)	(496,410)
Proceeds from sales of capital assets	831	-	831
Net cash provided by (used for) capital and related financing activities	\$ (1,384,825)	\$ (1,233,680)	\$ (2,618,505)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	\$ 490,863	\$ 172,077	\$ 662,940
Net cash provided by (used for) investing activities	\$ 490,863	\$ 172,077	\$ 662,940
Net increase (decrease) in cash and cash equivalents	\$ (68,922)	\$ (629,877)	\$ (698,799)
Cash and cash equivalents - beginning (including \$2,158,879 of restricted cash)	9,000,633	3,791,385	12,792,018
Cash and cash equivalents - ending (including \$2,382,552 of restricted cash)	\$ 8,931,711	\$ 3,161,508	\$ 12,093,219
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 20,200	\$ (146,994)	\$ (126,794)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	\$ 933,078	\$ 732,934	\$ 1,666,012
(Increase) decrease in accounts receivable	(78,390)	(73,286)	(151,676)
(Increase) decrease in deferred outflows of resources	9,960	5,376	15,336
Increase (decrease) in customer deposits	(5,849)	(1,900)	(7,749)
Increase (decrease) in accounts payable	(14,325)	(68,163)	(82,488)
Increase (decrease) in salaries payable	1,068	591	1,659
Increase (decrease) in compensated absences	3,300	501	3,801
Increase (decrease) in net pension liability	(24,167)	(1,902)	(26,069)
Increase (decrease) in net OPEB liabilities	(10,462)	2,161	(8,301)
Increase (decrease) in deferred inflows of resources	(9,373)	(17,592)	(26,965)
Total adjustments	\$ 804,840	\$ 578,720	\$ 1,383,560
Net cash provided by (used for) operating activities	\$ 825,040	\$ 431,726	\$ 1,256,766
Noncash investing, capital, and financing activities:			
Capital asset additions included in accounts payable at end of year	\$ -	\$ 3,313	\$ 3,313

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

County of Wythe, Virginia
Statement of Fiduciary Net Position
June 30, 2024

	<u>Custodial Fund</u> <u>Special Welfare</u>
ASSETS	
Cash and cash equivalents	\$ 27,696
Total assets	<u>\$ 27,696</u>
NET POSITION	
Restricted - amounts held for special welfare clients	\$ 27,696
Total net position	<u>\$ 27,696</u>

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

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

	<u>Custodial Fund</u> <u>Special Welfare</u>
ADDITIONS	
Gifts, donations, and aid	\$ 28,579
Revenue from the use of money	1,179
Total additions	<u>\$ 29,758</u>
 Deductions	
Special welfare payments	\$ 19,667
Total deductions	<u>\$ 19,667</u>
 Net increase (decrease) in fiduciary net position	 <u>\$ 10,091</u>
 Total net position, beginning of year	 <u>17,605</u>
Total net position, end of year	<u><u>\$ 27,696</u></u>

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

COUNTY OF WYTHE, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 1-Summary of Significant Accounting Policies:

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

A. Financial Reporting Entity:

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

Blended component units - The County has no blended component units.

Discretely Presented Component Unit -

The component unit column in the financial statements includes the financial data of the County's discretely presented component unit. It is reported in a separate column to emphasize that it is legally separate from the County.

The Wythe County School Board (“the School Board”) operates the elementary and secondary public schools in the County. School Board members are popularly elected. The School Board is fiscally dependent upon the County because the County approves all debt issuances of the School Board and provides significant funding to operate the public schools since the School Board does not have separate taxing powers. The School Board is presented as a governmental fund type. Separate financial statements are not issued for the Component Unit - School Board.

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

Jointly Governed Organizations -

The Counties of Wythe and Grayson participate in supporting the Wythe/Grayson Regional Library. The governing body of this organization is appointed by the respective governing bodies of the participating jurisdictions. For the year ended June 30, 2024, the County contributed \$374,746 to the Library.

The Counties of Wythe and Smyth participate in supporting the Smyth/Wythe Airport Authority. The governing body of this organization is appointed by the respective governing bodies of the participating jurisdictions. For the year ended June 30, 2024, the County contributed \$53,720 to the Airport.

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

B. Government-wide and fund financial statements:

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

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

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

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

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

The 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.

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized 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 liabilities, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the government the right to use lease assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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

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

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for and reports all financial resources of the general government, except those required to be accounted for in other funds. The general fund includes the activities of the Law Library, Property Seizure, the Police Activity, Courtroom Security, Clerks Records, Electronic Summons, Concealed Weapons, and JAG funds.

The *County Capital Projects Fund* accounts for and reports financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds. It 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.

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

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

The government reports the following major proprietary funds:

The *water department fund* and *sewer department fund* account for the activities of the County water and sewer system, which includes water distribution and sewage collections systems throughout the County.

Additionally, the government reports the following fund types:

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

The School Board reports the following major governmental funds:

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

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the government's water and sewer function and various other functions of the government.

Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds, consist of 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. The principal operating revenues of the County's enterprise fund are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

1. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and amounts in demand deposits, and short-term investments with a maturity date within three months of the date acquired by the government. For purposes of the statement of cash flows, the government's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Accordingly, investments totaling \$15,263,697 are reported as cash and cash equivalents in the accompanying financial statements.

2. Investments

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

3. Receivables and Payables

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

4. Property Taxes

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Real estate taxes are payable on December 5th.

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

5. Allowance for Uncollectible Accounts

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$1,438,071 on June 30, 2024. This allowance consists of delinquent taxes in the amount of \$322,691, delinquent water and sewer bills of \$1,016,593, delinquent EMS bills of \$98,787.

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

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

6. Use of Estimates

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

7. Inventory

Land held for resale includes land, land improvement, and infrastructure at the Progress Park located in Wythe County. This inventory is valued at original cost. Fair market value cannot be determined as comparable sites do not exist within the vicinity of the County.

8. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, lease, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) (except for intangible right-to-use lease assets with an initial, individual cost of more than \$20,000) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

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

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

8. Capital Assets (Continued)

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

Assets	Years
Lease land	20
Buildings	40
Building improvements	40
Structures, lines, and accessories	20-40
Machinery and equipment	4-30
Lease machinery and equipment	3-5
Subscription asset	3.5

9. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement. The County accrues salary-related payments associated with the payment of compensated absences. The School Board and Social Services department accrue payments associated with sick leave upon retirement. The County does not pay for sick leave upon retirement. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements.

10. Pensions

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

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

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

11. Other Postemployment Benefits (OPEB)

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

12. 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 issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received are reported as debt service expenditures.

13. Net Position

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

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

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

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

14. Net Position Flow Assumption

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

15. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has several types of items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivables, opioid settlement receivables, lease related items, and land held for resale are reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30th, property taxes paid in advance, the value of land held for resale, lease related items, and opioid settlement receivable which are deferred and recognized as an inflow of resources in the period that the amounts become available. Under the accrual basis, tax amounts prepaid are reported as deferred inflows are resources. In addition, certain items related to pension, OPEB, and leases are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

16. Fund Balance

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

Nonspendable - amounts that 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).

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

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

16. Fund Balance (Continued)

Restricted - amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers.

Committed - amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the Board of 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 - 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 - amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

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

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

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

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

17. Leases and Subscription-Based IT Arrangements

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

Lessor

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

Lessee

The County and School Board recognizes lease liabilities and intangible right-to-use lease assets (lease assets) with an initial value of \$20,000, 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 lease asset is measured at the initial amount of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

Subscriptions

The School Board recognizes intangible right-to-use subscription assets (subscription assets) and corresponding subscription liabilities with an initial value of \$20,000, in individually or in the aggregate, in the government-wide financial statements. At the commencement of the subscription, the subscription liability is measured at the present value of payments expected to be made during the subscription liability term (less any contract incentives). The subscription liability is reduced by the principal portion of payments made. The subscription asset is measured at the initial amount of the subscription liability payments made to the SBITA vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The subscription asset is amortized over the shorter of the subscription term or the useful life of the underlying IT asset.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

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

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

17. Leases and Subscription-Based IT Arrangements (Continued)

Key Estimates and Judgments

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

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

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

Note 2-Stewardship, Compliance, and Accountability:

A. Budgetary information

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

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them. The following funds have legally adopted budgets: General Fund and the School Operating Fund.
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.

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

A. Budgetary information

4. The Appropriations Resolution places legal restrictions on expenditures at the function level. Only the Board of Supervisors can revise the appropriation for each department or category. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and the Capital Projects Fund. The School Fund is integrated only at the level of legal adoption.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units. The County's practice is to appropriate Capital Projects by Project.
8. All budgetary data presented in the accompanying financial statements is the revised budget as of June 30.

B. Excess of expenditures over appropriations

For fiscal year 2024, there were no expenditures that exceeded appropriations.

C. Deficit fund equity

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

Note 3-Deposits and Investments:

A. Deposits

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 3-Deposits and Investments: (Continued)

B. Investments

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

Custodial Credit Risk

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

Credit Risk of Debt Securities

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

County's Rated Debt Investments' Values	
<hr/>	
Rated Debt Investments	Fair Quality Ratings
	AAAm
SNAP (State Non-arbitrage Pool)	\$ 3,421,895
VIP (Virginia Investment Pool)	11,841,802
Total	<u>\$ 15,263,697</u>

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 3-Deposits and Investments: (Continued)

B. Investments (Continued)

Interest Rate Risk

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

Investment Maturities (in years)		
Investment Type	Fair Value	1 Year or less
State Non-arbitrage Pool (SNAP)	\$ 3,421,895	\$ 3,421,895
VACO/VML Virginia Investment Pool (VIP)	11,841,802	11,841,802
Total	<u>\$ 15,263,697</u>	<u>\$ 15,263,697</u>

Concentration of Credit Risk

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

External Investment Pools

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

The primary government is a participant in the Virginia State Non-Arbitrage Program (SNAP) sponsored by the Virginia Treasury Board. SNAP provides comprehensive investment management, accounting and arbitrage calculation services for the proceeds of tax-exempt financings of Virginia governments. The Treasury Board has hired a program/investment manager, rebate calculation agent, central depository, custodian bank, and legal counsel to manage the program and provide services to investors. The value of the positions in the external investment pools (SNAP) is the same as the value of the pool shares. As SNAP is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. SNAP is an amortized cost basis portfolio. There are no withdrawal limitations or restrictions imposed on participants.

COUNTY OF WYTHE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 4-Due from Other Governmental Units:

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

	Primary Government		
	Governmental Activities	Business-type Activities	Component Unit-School Board
<u>Local Government:</u>			
New River Valley Regional Water Authority	\$ -	\$ 1,605,751	\$ -
Town of Wytheville	-	1,159,518	-
<u>Commonwealth of Virginia:</u>			
Local sales tax	1,034,263	-	-
Local communication tax	78,216	-	-
State sales tax	-	-	875,079
Categorical aid	313,187	-	-
Non-categorical aid	762,098	-	-
Virginia public assistance funds	177,339	-	-
Community services act	271,082	-	-
<u>Federal Government:</u>			
Virginia public assistance funds	268,113	-	-
Categorical aid	229,751	-	2,430,505
Capital grant	-	95,567	-
Totals	<u>\$ 3,134,049</u>	<u>\$ 2,860,836</u>	<u>\$ 3,305,584</u>

The County constructed certain debt financed assets that are used by the New River Regional Water Authority and the Town of Wytheville, Virginia. The County has recorded a receivable in the Water Fund of \$2,765,269 for repayment of shared construction costs. The County bills these entities as debt service payments are due for the related projects.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 5-Interfund Transfers/Component Unit Contributions:**

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ 3,030,782	\$ -
County Capital Projects Fund	-	3,030,782
Component Unit-School Board:		
School Operating Fund	50,340	880,456
School Activity Fund	880,456	50,340
Total	<u>\$ 3,961,578</u>	<u>\$ 3,961,578</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgeting authorization. There were no interfund obligations on June 30, 2024.

Primary government contributions to the component unit for the year ended June 30, 2024, consisted of the following:

Component Unit:	
School Board	<u>\$ 18,579,706</u>

Component unit obligations at June 30, 2024, consisted of the following:

	<u>Due From</u>	<u>Due To</u>
Primary Government:		
Governmental Activities	\$ -	\$ 23,160
Component Unit:		
School Board	23,160	-
Total	<u>\$ 23,160</u>	<u>\$ 23,160</u>

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024Note 6-Long-Term Obligations:Primary Government - Governmental Activities Obligations:

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

	Balance July 1, 2023	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2024
Direct borrowings and placements:				
General obligation bonds	\$ 45,281,575	\$ 2,900,000	\$ (3,038,179)	\$ 45,143,396
GO bond premium	5,985	-	(3,360)	2,625
Literary loans	8,015,159	-	(500,948)	7,514,211
Lease liabilities	77,182	670,339	(101,239)	646,282
Compensated absences	446,981	410,604	(335,236)	522,349
Net OPEB liabilities	1,155,339	301,524	(250,879)	1,205,984
Net pension liability	2,062,791	4,201,507	(4,335,214)	1,929,084
Total	<u>\$ 57,045,012</u>	<u>\$ 8,483,974</u>	<u>\$ (8,565,055)</u>	<u>\$ 56,963,931</u>

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

Year Ending June 30,	Direct Borrowings and Placements		Lease Liabilities	
	Principal	Interest	Principal	Interest
2025	\$ 3,483,191	\$ 1,264,651	\$ 34,797	\$ 29,846
2026	3,539,848	1,193,292	31,291	28,292
2027	3,606,790	1,108,841	25,748	27,029
2028	3,472,105	1,027,373	24,052	25,948
2029	3,542,841	948,771	25,178	24,822
2030-2034	16,847,801	3,564,003	144,705	105,295
2035-3039	13,981,761	1,606,010	181,886	68,114
2040-2044	4,183,270	387,969	178,625	21,377
Totals	<u>\$ 52,657,607</u>	<u>\$ 11,100,910</u>	<u>\$ 646,282</u>	<u>\$ 330,723</u>

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COUNTY OF WYTHE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 6-Long-Term Obligations: (Continued)

Primary Government - Governmental Activities Obligations: (Continued)

Details of long-term obligations:

	Interest Rates	Issue Date	Final Maturity Date	Amount of Original Issue	Balance Governmental Activities	Amount Due Within One Year
Direct Borrowings and Placements:						
General Obligation Bonds:						
VPSA GO bond	4.255%-5.1%	10/24/06	2027	\$ 3,593,557	\$ 601,050	\$ 197,390
VACO/VML Series 2017	3.05%	12/12/17	2038	10,000,000	7,643,000	444,000
2020A GO bond	1.73%	10/15/20	2040	16,883,882	13,561,808	1,150,236
2020B GO bond	2.14%	10/15/20	2038	9,482,000	7,990,000	495,000
2021 GO Bond	1.44%	9/20/21	2029	12,115,000	11,868,000	492,000
2022A GO Bond	2.57%	3/30/22	2043	800,000	579,538	112,617
2024 GO Bond	5.86%	6/26/24	2044	2,900,000	2,900,000	91,000
Total General Obligation Bonds					<u>\$ 45,143,396</u>	<u>\$ 2,982,243</u>
Add: Unamortized premium on						
\$3,593,557 GO bond	n/a	10/24/06	2027	102,414	\$ 2,625	\$ 1,378
Total Unamortized Premiums					<u>\$ 2,625</u>	<u>\$ 1,378</u>
Total General Obligation Bonds and Unamortized Premiums					<u>\$ 45,146,021</u>	<u>\$ 2,983,621</u>
Literary Loans:						
State Literary Fund Loan	2.00%	10/1/18	2039	7,500,000	\$ 5,625,000	\$ 375,000
State Literary Fund Loan	2.00%	10/1/18	2039	2,518,951	1,889,211	125,948
Total Literary Loans					<u>\$ 7,514,211</u>	<u>\$ 500,948</u>
Total Direct Borrowings and Placements					<u>\$ 52,660,232</u>	<u>\$ 3,484,569</u>
Lease Liabilities:						
Sheriff Leased Vehicle	7.93%	7/1/21	2026	31,084	\$ 12,760	\$ 6,730
Administration Copier	0.45%	6/1/21	2025	14,385	3,318	3,318
General District Copier	0.32%	11/4/20	2025	5,772	484	484
Social Services Postage Meter	0.45%	5/27/22	2027	16,480	9,381	3,297
Cell Tower Land	4.68%	10/1/23	2044	670,339	620,339	20,968
Total Lease Liabilities					<u>\$ 646,282</u>	<u>\$ 34,797</u>
Other Obligations:						
Compensated Absences	n/a	n/a	n/a	n/a	\$ 522,349	\$ 391,762
Net OPEB Liabilities	n/a	n/a	n/a	n/a	1,205,984	-
Net Pension Liability	n/a	n/a	n/a	n/a	1,929,084	-
Total Other Obligations					<u>\$ 3,657,417</u>	<u>\$ 391,762</u>
Total Long-Term Obligations					<u>\$ 56,963,931</u>	<u>\$ 3,911,128</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 6-Long-Term Obligations: (Continued)Primary Government - Governmental Activities Obligations: (Continued)

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

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

Primary Government - Business-type Activities Obligations:

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

	Balance July 1, 2023	Increase/ Issuances	Decrease/ Retirements	Balance June 30, 2024
Direct borrowings and placements:				
General obligation and revenue bonds	\$ 27,537,788	\$ 383,818	\$ (1,531,719)	\$ 26,389,887
General obligation bond discount	(2,745)	-	915	(1,830)
Compensated absences	34,293	29,521	(25,720)	38,094
Net OPEB liabilities	68,836	15,721	(24,022)	60,535
Net pension liability	122,902	211,944	(238,013)	96,833
Total	\$ 27,761,074	\$ 641,004	\$ (1,818,559)	\$ 26,583,519

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 6-Long-Term Obligations: (Continued)Primary Government - Business-type Activities Obligations: (Continued)

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

Year Ending June 30,	Direct Borrowings and Placements	
	Principal	Interest
2025	\$ 7,557,739	\$ 509,021
2026	1,612,452	358,295
2027	760,466	329,228
2028	774,018	316,117
2029	787,723	302,707
2030-2034	3,959,222	1,303,692
2035-2039	3,437,655	939,924
2040-2044	2,755,253	625,317
2045-2049	2,504,117	356,719
2050-2054	1,709,990	128,352
2055-2059	526,283	17,068
2060-2064	4,969	9
Totals	<u>\$ 26,389,887</u>	<u>\$ 5,186,449</u>

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COUNTY OF WYTHE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 6-Long-Term Obligations: (Continued)

Primary Government - Business-type Activities Obligations: (Continued)

Details of long-term obligations:

	Interest Rates	Issue Date	Final Maturity Date	Amount of Original Issue	Balance Business-type Activities	Amount Due Within One Year
Direct Borrowings and Placements:						
General Obligation and Revenue Bonds						
VRA GO Bond	0.00%	2/1/14	2025	\$ 110,100	\$ 5,242	\$ 5,242
VRA GO Bond	0.00%	5/15/12	2033	1,369,871	550,525	68,493
VRA GO Bond	0.65%	9/30/16	2029	2,103,600	1,454,864	105,571
Rural Development Bond*	2.375%	3/31/10	2040	1,100,000	307,476	8,808
Rural Development Bond	2.375%	6/29/11	2051	640,000	507,907	13,770
Rural Development Bond	2.375%	6/14/11	2051	3,316,000	2,635,841	71,226
Rural Development Bond	2.375%	8/11/10	2049	1,065,000	792,559	24,134
Rural Development Bond	2.125%	11/16/12	2052	1,374,000	1,123,674	29,428
Rural Development Bond	2.125%	10/7/15	2055	3,754,000	3,279,588	76,564
Rural Development Bond	2.500%	5/19/16	2056	1,358,000	1,195,772	28,402
Rural Development Bond	3.500%	5/19/16	2056	684,000	609,376	13,269
GO Bond	4.36%	12/15/05	2026	5,900,000	849,487	412,660
GO Bond	2.00%	11/19/14	2020	151,809	87,903	4,879
VML/VACO Series 2017	2.25%	12/20/2017	2026	3,184,693	845,172	417,732
Rural Development Bond	2.13%	9/19/2019	2060	1,252,000	1,151,859	22,324
GO Bond	1.73%	10/15/2020	2040	701,118	563,191	47,764
VRA GO Bond**	0.00%	6/23/2021	2046	668,300	612,427	12,977
Rural Development Bond	1.50%	8/3/2021	2060	286,000	241,001	6,174
2023 GO Sewer Bond	0.00%	4/6/2023	2028	465,180	416,023	16,322
2022B GO Bond	2.57%	3/30/2022	2043	4,100,000	3,160,000	172,000
2022 C Water and Sewer GO Note	1.86%	3/30/2022	2025	6,000,000	6,000,000	6,000,000
Total General Obligation and Revenue Bonds					\$ 26,389,887	\$ 7,557,739
Less: Unamortized GO Bond discount					\$ (1,830)	\$ (915)
Total Direct Borrowings and Placements					\$ 26,388,057	\$ 7,556,824
Other Obligations:						
Compensated Absences	n/a	n/a	n/a	n/a	\$ 38,094	\$ 28,571
Net OPEB Liabilities	n/a	n/a	n/a	n/a	60,535	-
Net Pension Liability	n/a	n/a	n/a	n/a	96,833	-
Total Other Obligations					\$ 195,462	\$ 28,571
Total Long-term obligations					\$ 26,583,519	\$ 7,585,395

* Loan issued by Carroll County PSA in the amount of \$5,000,000 with an underlying agreement that Wythe County is responsible for 7.9733% of such loan.

** As of June 30, 2024, entire bond has not been drawdown.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 6-Long-Term Obligations: (Continued)Primary Government - Business-type Activities Obligations: (Continued)Details of long-term obligations: (Continued)

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

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

Note 7-Long-Term Obligations - Component Unit:Discretely Presented Component Unit - School Board Obligations:

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

	Balance July 1, 2023	Increase	Decrease	Balance June 30, 2024
Lease liabilities	\$ 9,400	\$ -	\$ (8,794)	\$ 606
Compensated absences	782,714	896,629	(587,036)	1,092,307
Net OPEB liabilities	7,429,350	1,549,098	(1,404,690)	7,573,758
Net pension liability	23,890,958	12,503,705	(10,251,847)	26,142,816
Total	\$ 32,112,422	\$ 14,949,432	\$ (12,252,367)	\$ 34,809,487

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

Year Ending June 30,	Lease Liabilities	
	Principal	Interest
2025	\$ 606	\$ -
Totals	\$ 606	\$ -

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COUNTY OF WYTHE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 7-Long-Term Obligations - Component Unit: (Continued)

Discretely Presented Component Unit - School Board Obligations: (Continued)

Details of long-term obligations:

	Interest Rates	Issue Date	Final Maturity Date	Amount of Original Issue	Balance Governmental Activities	Amount Due Within One Year
Lease Liabilities:						
Postage Meter	0.11%	10/1/19	2025	\$ 12,083	\$ 606	\$ 606
Total Lease Liabilities					\$ 606	\$ 606
Other Obligations:						
Compensated Absences	n/a	n/a	n/a	n/a	\$ 1,092,307	\$ 819,230
Net OPEB Liabilities	n/a	n/a	n/a	n/a	7,573,758	-
Net Pension Liability	n/a	n/a	n/a	n/a	26,142,816	-
Total Long-term obligations					\$ 34,809,487	\$ 819,836

Note 8-Pension Plans:

Aggregate Pension Information

The following is a summary of deferred outflows, deferred inflows, net pension liabilities, and pension expense for the year ended June 30, 2024.

	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	\$ 1,131,351	\$ 1,112,869	\$ 2,025,917	\$ 492,727	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	145,075	119,809	486,687	101,130
School Board Professional	-	-	-	-	8,378,462	3,012,216	25,656,129	2,407,096
Totals	\$ 1,131,351	\$ 1,112,869	\$ 2,025,917	\$ 492,727	\$ 8,523,537	\$ 3,132,025	\$ 26,142,816	\$ 2,508,226

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Note 8-Pension Plans: (Continued)

Plan Description

All full-time, salaried permanent employees of the County and (nonprofessional) employees of the public-school divisions are automatically covered by the VRS Retirement Plan upon employment. This is an agent multiple-employer plan administered by a Virginia Retirement System (the System) along with plans for other groups in the Commonwealth of Virginia. However, several entities whose financial information is not included in the primary government report, participate in the VRS plan through Wythe County and the participating entities report their proportionate information on the basis of a cost-sharing plan.

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

Benefit Structures

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

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

Note 8-Pension Plans: (Continued)

Benefit Structures (Continued)

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

Average Final Compensation and Service Retirement Multiplier

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

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

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

Contributions

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

The County's contractually required employer contribution rate for the year ended June 30, 2024 was 11.49% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 8-Pension Plans: (Continued)

Contributions (Continued)

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$1,083,292 and \$948,952 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net Pension Liability

On June 30, 2024, the County reported a liability of \$2,025,917 for its proportionate share of the net pension liability. The County's net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. In order to allocate the net pension liability to all employers included in the plan, the County is required to determine its proportionate share of the net pension liability. Contributions as of June 30, 2023 and 2022 were used as a basis for allocation to determine the County's proportionate share of the net pension liability. On June 30, 2023 and 2022, the County's proportion was 98.77% and 98.69%, respectively.

Actuarial Assumptions - General Employees

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

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 8-Pension Plans: (Continued)**Actuarial Assumptions - General Employees (Continued)**

Mortality rates: (Continued)

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

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

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

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the Wythe County's Retirement Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

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

Note 8-Pension Plans: (Continued)

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 8-Pension Plans: (Continued)***Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits (Continued)***

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

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

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

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Note 8-Pension Plans: (Continued)***Long-Term Expected Rate of Return***

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 8-Pension Plans: (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2022 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2023, the rate contributed by the employer for the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 112% of the actuarially determined contribution rate. From July 1, 2023 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's proportionate share of the County Retirement Plan Net Pension Liability (Asset)	\$ 7,645,117	\$ 2,025,917	\$ (2,479,020)

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

For the year ended June 30, 2024, the County recognized pension expense of \$492,727. 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 8-Pension Plans: (Continued)*****Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)***

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

	Primary Government	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 450,587
Changes in proportion and differences between employer contributions and proportionate share of contributions	48,059	11,228
Net difference between projected and actual earnings on pension plan investments	-	651,054
Employer contributions subsequent to the measurement date	1,083,292	-
Total	\$ <u>1,131,351</u>	\$ <u>1,112,869</u>

\$1,083,292 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	Primary Government
2025	\$ (794,473)
2026	(874,669)
2027	582,934
2028	21,398

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 8-Pension Plans: (Continued)***Pension Plan Data***

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

Component Unit School Board (Nonprofessional)

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

Employees Covered by Benefit Terms

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

	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	83
Inactive members:	
Vested inactive members	11
Non-vested inactive members	36
Inactive members active elsewhere in VRS	30
Total inactive members	77
Active members	58
Total covered employees	218

Contributions

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2024 was 9.71% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

Note 8-Pension Plans: (Continued)

Component Unit School Board (nonprofessional) (Continued)

Contributions (Continued)

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$145,075 and \$143,433 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net Pension Liability

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

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 8-Pension Plans: (Continued)****Component Unit School Board (nonprofessional) (Continued)*****Changes in Net Pension Liability (Asset)***

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total	Plan	Net
	Pension	Fiduciary	Pension
	Liability	Net Position	Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at June 30, 2022	\$ 7,230,191	\$ 6,726,584	\$ 503,607
Changes for the year:			
Service cost	\$ 143,526	\$ -	\$ 143,526
Interest	481,398	-	481,398
Differences between expected and actual experience	(6,121)	-	(6,121)
Contributions - employer	-	143,433	(143,433)
Contributions - employee	-	71,443	(71,443)
Net investment income	-	425,037	(425,037)
Benefit payments, including refunds of employee contributions	(483,792)	(483,792)	-
Administrative expenses	-	(4,361)	4,361
Other changes	-	171	(171)
Net changes	\$ 135,011	\$ 151,931	\$ (16,920)
Balances at June 30, 2023	\$ 7,365,202	\$ 6,878,515	\$ 486,687

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	\$ 1,315,576	\$ 486,687	\$ (159,520)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 8-Pension Plans: (Continued)

Component Unit School Board (nonprofessional) (Continued)

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

For the year ended June 30, 2024, the Component Unit School Board (nonprofessional) recognized pension expense of \$101,130. On June 30, 2024, the Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Component Unit School Board (nonprofessional)	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 2,434
Net difference between projected and actual earnings on pension plan investments	-	117,375
Employer contributions subsequent to the measurement date	<u>145,075</u>	<u>-</u>
Total	<u>\$ 145,075</u>	<u>\$ 119,809</u>

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 8-Pension Plans: (Continued)

Component Unit School Board (nonprofessional) (Continued)

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

\$145,075 reported as deferred outflows of resources related to pensions resulting from the Component Unit School Board's (nonprofessional) contributions subsequent to the measurement date will be recognized as an increase of the Net Pension Asset in the fiscal year ending June 30, 2024. 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:

		Component Unit School Board (nonprofessional)
	<u>Year ended June 30</u>	
	2025	\$ (83,555)
	2026	(138,170)
	2027	97,958
	2028	3,958

Component Unit School Board (professional)

Plan Description

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2024 was 16.62% of covered employee compensation. This was the General Assembly approved rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2022. 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 \$4,322,729 and \$4,007,037 for the years ended June 30, 2024 and June 30, 2023, respectively.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 8-Pension Plans: (Continued)**Component Unit School Board (professional) (Continued)*****Contributions (Continued)***

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

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

On June 30, 2024, the school division reported a liability of \$25,656,129 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2023, the school division's proportion was 0.2538% as compared to 0.2457% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized pension expense of \$2,407,096. 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.

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

	Component Unit School Board (professional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,203,883	\$ 1,001,212
Net difference between projected and actual earnings on pension plan investments	-	1,668,166
Changes of assumptions	1,163,082	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	688,768	342,838
Employer contributions subsequent to the measurement date	4,322,729	-
Total	\$ 8,378,462	\$ 3,012,216

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 8-Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

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

\$4,322,729 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2025	\$ (494,962)
2026	(1,353,310)
2027	2,255,570
2028	636,219

Actuarial Assumptions

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

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

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 8-Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions (Continued)

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 8-Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

Net Pension Liability

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

		<u>Teacher Employee Retirement Plan</u>
Total Pension Liability	\$	57,574,609
Plan Fiduciary Net Position		47,467,405
Employers' Net Pension Liability (Asset)	\$	<u>10,107,204</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		82.45%

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

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

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 8-Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$ 45,479,165	\$ 25,656,129	\$ 9,359,962

Pension Plan Fiduciary Net Position

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

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COUNTY OF WYTHE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 9-Capital Assets:

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

Primary Government:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated/amortized:				
Land	\$ 4,112,379	\$ -	\$ -	\$ 4,112,379
Construction in progress	11,175,824	12,831,158	(189,400)	23,817,582
Total capital assets not being depreciated/amortized	<u>\$ 15,288,203</u>	<u>\$ 12,831,158</u>	<u>\$ (189,400)</u>	<u>\$ 27,929,961</u>
Capital assets, being depreciated/amortized:				
Lease land	\$ -	\$ 670,339	\$ -	\$ 670,339
Buildings and improvements	63,136,094	189,400	(7,435,478)	55,890,016
Infrastructure	3,448,465	-	-	3,448,465
Machinery and equipment	10,367,309	1,060,666	(17,721)	11,410,254
Lease machinery and equipment	528,637	132,775	(149,695)	511,717
Total capital assets being depreciated/amortized	<u>\$ 77,480,505</u>	<u>\$ 2,053,180</u>	<u>\$ (7,602,894)</u>	<u>\$ 71,930,791</u>
Accumulated depreciation/amortization:				
Lease land	\$ -	\$ (25,055)	\$ -	\$ (25,055)
Buildings and improvements	(18,958,924)	(1,571,981)	3,719,776	(16,811,129)
Infrastructure	(2,835,475)	(168,735)	-	(3,004,210)
Machinery and equipment	(6,270,326)	(706,834)	17,721	(6,959,439)
Lease machinery and equipment	(313,141)	(159,310)	149,695	(322,756)
Total accumulated depreciation/amortization	<u>\$ (28,377,866)</u>	<u>\$ (2,631,915)</u>	<u>\$ 3,887,192</u>	<u>\$ (27,122,589)</u>
Total capital assets being depreciated/amortized, net	<u>\$ 49,102,639</u>	<u>\$ (578,735)</u>	<u>\$ (3,715,702)</u>	<u>\$ 44,808,202</u>
Governmental activities capital assets, net	<u>\$ 64,390,842</u>	<u>\$ 12,252,423</u>	<u>\$ (3,905,102)</u>	<u>\$ 72,738,163</u>

Debt financed assets transferred to the School Board totaled \$7,435,478 less accumulated depreciation of \$3,719,776.

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COUNTY OF WYTHE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 9-Capital Assets: (Continued)

Primary Government: (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 233,205	\$ 27,000	\$ -	\$ 260,205
Construction in progress	3,824,454	1,829,006	(4,675)	5,648,785
Total capital assets not being depreciated	<u>\$ 4,057,659</u>	<u>\$ 1,856,006</u>	<u>\$ (4,675)</u>	<u>\$ 5,908,990</u>
Capital assets, being depreciated:				
Infrastructure	\$ 64,901,947	\$ -	\$ -	\$ 64,901,947
Machinery and equipment	656,022	161,516	(28,293)	789,245
Total capital assets being depreciated	<u>\$ 65,557,969</u>	<u>\$ 161,516</u>	<u>\$ (28,293)</u>	<u>\$ 65,691,192</u>
Accumulated depreciation:				
Infrastructure	\$ (25,743,913)	\$ (1,591,926)	\$ -	\$ (27,335,839)
Machinery and equipment	(406,561)	(74,086)	28,293	(452,354)
Total accumulated depreciation	<u>\$ (26,150,474)</u>	<u>\$ (1,666,012)</u>	<u>\$ 28,293</u>	<u>\$ (27,788,193)</u>
Total capital assets being depreciated, net	<u>\$ 39,407,495</u>	<u>\$ (1,504,496)</u>	<u>\$ -</u>	<u>\$ 37,902,999</u>
Business-type activities capital assets, net	<u>\$ 43,465,154</u>	<u>\$ 351,510</u>	<u>\$ (4,675)</u>	<u>\$ 43,811,989</u>

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

Governmental activities:	
General government administration	\$ 138,999
Judicial administration	12,839
Public safety	643,819
Public works	326,576
Health and welfare	62,144
Education	1,005,046
Parks, recreation, and culture	49,338
Community development	393,154
Total depreciation/amortization expense-	
governmental activities	<u>\$ 2,631,915</u>
Business type activities:	
Water and sewer	\$ 1,666,012
Total depreciation expense-Primary Government	<u>\$ 4,297,927</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 9-Capital Assets: (Continued)

Discretely Presented Component Unit-School Board:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated/amortized:				
Land	\$ 774,089	\$ -	\$ -	\$ 774,089
Construction in progress	9,055,568	9,500,106	(78,775)	18,476,899
Total capital assets not being depreciated/amortized	<u>\$ 9,829,657</u>	<u>\$ 9,500,106</u>	<u>\$ (78,775)</u>	<u>\$ 19,250,988</u>
Capital assets, being depreciated/amortized:				
Buildings and improvements	\$ 38,277,817	\$ 8,192,773	\$ -	\$ 46,470,590
Machinery and equipment	9,739,396	1,613,699	(70,860)	11,282,235
Lease machinery and equipment	29,897	-	(22,036)	7,861
Subscription asset	-	268,170	-	268,170
Total capital assets being depreciated/amortized	<u>\$ 48,047,110</u>	<u>\$10,074,642</u>	<u>\$ (92,896)</u>	<u>\$ 58,028,856</u>
Accumulated depreciation/amortization:				
Buildings and improvements	\$ (21,252,836)	\$ (4,542,713)	\$ -	\$ (25,795,549)
Machinery and equipment	(7,840,828)	(422,969)	70,860	(8,192,937)
Lease machinery and equipment	(20,471)	(8,817)	22,036	(7,252)
Subscription asset	-	(38,040)	-	(38,040)
Total accumulated depreciation/amortization	<u>\$ (29,114,135)</u>	<u>\$ (5,012,539)</u>	<u>\$ 92,896</u>	<u>\$ (34,033,778)</u>
Total capital assets being depreciated/amortized, net	<u>\$ 18,932,975</u>	<u>\$ 5,062,103</u>	<u>\$ -</u>	<u>\$ 23,995,078</u>
Governmental activities capital assets, net	<u>\$ 28,762,632</u>	<u>\$14,562,209</u>	<u>\$ (78,775)</u>	<u>\$ 43,246,066</u>

Debt financed assets transferred from the County totaled \$7,435,478 less accumulated depreciation of \$3,719,776.

All depreciation/amortization of the component-unit School Board is posted to the education function in the financial statements.

Note 10-Risk Management:

The County and School Board are exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The County and School Board participate with other localities in a public entity risk pool for their coverage of worker's compensation with the Virginia Municipal League Pool and public officials' liability with the Virginia Association of Counties Group Self Insurance Risk Pool. The County pays an annual premium to the pools for its general insurance coverage. The agreement for the formation of the pools provides that the pool will be self-sustaining 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 11-Commitments and Contingent Liabilities:

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

The County and Component Unit School Board were involved in major construction projects during the fiscal year as presented below, along with the anticipated funding source.

<u>Project</u>	<u>Original Contract Amount</u>	<u>Outstanding at June 30, 2024</u>
Component Unit-School Board		
Scott Memorial Middle School Addition	\$ 27,869,347	\$ 3,467,138
Totals	<u>\$ 27,869,347</u>	<u>\$ 3,467,138</u>

The County, Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat ("IDA"), and Blue Star Manufacturing, LLC ("Company") entered into a performance agreement on September 12, 2022. The County and IDA agreed to transfer land in its industrial park at a substantial discount to its market value to the Company. The Company agreed to make capital investments of approximately \$715,324,032 and create and maintain 2,464 new jobs at the facility.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 12-Surety Bonds:

Primary Government:

<u>Fidelity & Deposit Company of Maryland-Surety:</u>	
Jeremiah Musser, Clerk of the Circuit Court	\$ 1,500,000
Lori Gynn, Treasurer	400,000
Adam Linkous, Commissioner of the Revenue	3,000
Charles Foster, Sheriff	30,000
<u>Aetna Casualty and Surety - Surety:</u>	
All social services employees: blanket bond	\$ 100,000
<u>United States Fidelity and Guaranty Company-Surety:</u>	
Stephen Bear, County Administrator	\$ 2,000
Martha Collins, Clerk	2,000

Component Unit - School Board:

<u>United States Fire Insurance Company - Surety:</u>	
Catrina Hall, Clerk of the School Board	\$ 25,000
All school board employees: blanket bond	10,000

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 13-Unearned and Deferred/Unavailable Revenue:

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

	Government-wide Governmental Activities	Balance Sheet Governmental Funds
Primary Government:		
Deferred/unavailable revenue:		
Unavailable property tax revenue representing uncollected property tax billings that are not available for funding of current expenditures	\$ -	\$ 2,493,192
Prepaid property taxes due subsequent to June 30, 2024 but paid in advance by the taxpayers	150,919	150,919
Unavailable opioid settlement receivable not available for funding of current expenditures	-	1,114,284
Unavailable revenue represents the proceeds of land held for resale of which are not available for funding of current expenditures	-	601,394
Total deferred/unavailable revenue	<u>\$ 150,919</u>	<u>\$ 4,359,789</u>
Unearned revenue:		
Unspent ARPA funds received during previous fiscal years	<u>\$ 370,621</u>	<u>\$ 370,621</u>
Component Unit-School Board:		
Unspent ALL in Implementation PPA funds received during the current fiscal year	<u>\$ 1,419,849</u>	<u>\$ 1,419,849</u>

COUNTY OF WYTHE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 14-Aggregate Other Postemployment Benefits Information:

The following is a summary of deferred outflows, deferred inflows, net OPEB liabilities, and OPEB expense for the year ended June 30, 2024.

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability (Asset)	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liability (Asset)	OPEB Expense
VRS OPEB Plans:								
Group Life Insurance Program								
County	\$ 136,817	\$ 70,380	\$ 452,486	\$24,574	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	20,934	15,063	83,352	3,730
School Board Professional	-	-	-	-	312,900	205,624	1,263,717	37,103
Health Insurance Credit Program	-	-	-	-	53,850	8	183,671	30,090
Teacher Health Insurance Credit Program	-	-	-	-	480,965	245,911	3,015,218	202,198
County Stand-Alone Plan	138,865	197,433	814,033	2,963	-	-	-	-
School Stand-Alone Plan	-	-	-	-	585,000	1,550,800	3,027,800	(132,500)
Totals	\$ 275,682	\$ 267,813	\$ 1,266,519	\$27,537	\$ 1,453,649	\$ 2,017,406	\$ 7,573,758	\$ 140,621

Note 15-Other Postemployment Benefits - Health Insurance - County:

Plan Description

In addition to the pension benefits, the County administers a cost-sharing defined benefit healthcare plan. Several entities participate in the defined benefit healthcare plan through the County and the participating entities report their proportionate information on the basis of a cost-sharing plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the County's pension plans. The plan does not issue a publicly available financial report.

Benefits Provided

The County administers a cost-sharing healthcare plan ("the Plan"). The Plan provides for participation by eligible retirees of the County and their dependents in the health and dental insurance programs available to County employees. The Plan will provide retiring employees the option to continue health and dental insurance offered by the County. An eligible County retiree may receive this benefit until the retiree is eligible to receive Medicare. To be eligible for this benefit a retiree must have 10 years of service with the County and the employee must have attained the age of fifty (50). Alternatively, an employee is also eligible to participate at age fifty-five (55) with 5 years of service. The benefits, employee contributions and the employer contributions are governed by the County Board and can be amended through Board action. The Plan does not issue a publicly available financial report.

Contributions

The Board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County Board. The amount paid by the County for OPEB as the benefits came due during the year ended June 30, 2024 was \$39,802.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 15-Other Postemployment Benefits - Health Insurance - County: (Continued)

Total OPEB Liability

On June 30, 2024, the County reported a liability of \$814,033 for its proportionate share of the total OPEB liability. The total OPEB liability was measured as of July 1, 2022. The County's total OPEB liability was determined by an actuarial valuation performed as of July 1, 2022, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of July 1, 2023. On July 1, 2023, and 2022, the County's proportion was 98.77% and 98.69%, respectively.

Actuarial Assumptions

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

Inflation	2.50%
Salary Increases	Salaries are assumed to increase 2.50%
Discount Rate	3.86%

Mortality is based on the RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021.

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

Discount Rate

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

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

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

Rate		
1% Decrease (2.86%)	Current Discount (3.86%)	1% Increase (4.86%)
\$ 886,823	\$ 814,033	\$ 748,946

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 15-Other Postemployment Benefits - Health Insurance - County: (Continued)*****Sensitivity of the Employer's Proportionate Share of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates***

The following presents the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (8.83% for fiscal year ended 2023 (to reflect actual experience), then 5.50% for fiscal year 2024, increasing to an ultimate rate of 4.00%) or one percentage point higher (10.83% for fiscal year ended 2023 (to reflect actual experience), then 7.50% for fiscal year 2024, increasing to an ultimate rate of 6.00%) than the current healthcare cost trend rates:

Rates		
	Healthcare Cost	
1% Decrease (as noted above)	Trend (as noted above)	1% Increase (as noted above)
\$ 729,192	\$ 814,033	\$ 914,083

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

For the year ended June 30, 2024, the County recognized OPEB expense in the amount of \$2,963. On June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 23,803	\$ 173,236
Change in assumptions	75,260	24,197
Employer contributions subsequent to the measurement date	39,802	-
Total	\$ 138,865	\$ 197,433

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 15-Other Postemployment Benefits - Health Insurance - County: (Continued)

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

\$39,802 reported as deferred outflows of resources related to OPEB resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB will be recognized in the OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2025	\$ (48,296)
2026	(21,334)
2027	(30,124)
2028	789
2029	595

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 16-Other Postemployment Benefits - Health Insurance - Component Unit School Board:

Plan Description

In addition to the pension benefits described in Note 8, the School Board administers a single employer defined benefit healthcare plan, The Wythe County Public Schools Other Postemployment Benefits Plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the School Board's pension plans. The plan does not issue a publicly available financial report.

Benefits Provided

The Component Unit School Board administers a single-employer healthcare plan ("the Plan"). The Plan provides for participation by eligible retirees of the School Board and their dependents in the health and dental insurance programs available to School Board employees. The Plan will provide retiring employees the option to continue health and dental insurance offered by the School Board. An eligible School Board retiree may receive this benefit until the retiree is eligible to receive Medicare. To be eligible for this benefit a retiree must have 10 years of service with the School Board and the employee must have attained the age of fifty (50). Alternatively, an employee is also eligible to participate at age fifty-five (55) with 5 years of service. The benefits, employee contributions and the employer contributions are governed by the School Board and can be amended through Board action.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 16-Other Postemployment Benefits - Health Insurance - Component Unit School Board:
(Continued)

Plan Membership

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

Inactive employees or beneficiaries currently receiving benefits	35
Active employees	<u>598</u>
Total	<u>633</u>

Contributions

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the School Board. The amount paid by the School Board for OPEB as the benefits came due during the year ended June 30, 2024 was \$161,500.

Total OPEB Liability

The School Board's total OPEB liability was measured as of July 1, 2023. The total OPEB liability was determined by an actuarial valuation performed as of July 1, 2022, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of July 1, 2023.

Actuarial Assumptions

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

Inflation	2.50%
Salary Increases	Salaries are assumed to increase 2.50% annually.
Discount Rate	3.86%

Mortality is based on the RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021.

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

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Note 16-Other Postemployment Benefits - Health Insurance - Component Unit School Board:
(Continued)***Changes in Total OPEB Liability***

	Component Unit School Board Total OPEB Liability
Beginning Balance	\$ 2,892,100
Changes for the year:	
Service cost	142,500
Interest	109,000
Difference between expected and actual experience	86,400
Changes in assumptions	(40,700)
Benefit payments	(161,500)
Net changes	135,700
Ending Balance	\$ 3,027,800

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

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

Rate		
1% Decrease (2.86%)	Current Discount (3.86%)	1% Increase (4.86%)
\$ 3,275,600	\$ 3,027,800	\$ 2,799,200

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 16-Other Postemployment Benefits - Health Insurance - Component Unit 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 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 (8.83% for fiscal year ended 2023 (to reflect actual experience), then 5.50% for fiscal year 2024, increasing to an ultimate rate of 4.00%) or one percentage point higher (10.83% for fiscal year ended 2023 (to reflect actual experience), then 7.50% for fiscal year 2024, increasing to an ultimate rate of 6.00%) than the current healthcare cost trend rates:

Rates		
	Healthcare Cost	
1% Decrease (as noted above)	Trend (as noted above)	1% Increase (as noted above)
\$ 2,710,900	\$ 3,027,800	\$ 3,396,100

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

For the year ended June 30, 2024, the School Board recognized OPEB expense in the amount of \$(132,500). On June 30, 2024, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 73,700	\$ 1,094,100
Net difference between projected and actual earnings on plan investments	-	456,700
Change in assumptions	349,800	-
Employer contributions subsequent to the measurement date	161,500	-
Total	\$ <u>585,000</u>	\$ <u>1,550,800</u>

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 16-Other Postemployment Benefits - Health Insurance - Component Unit School Board:**
(Continued)***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)***

\$161,500 reported as deferred outflows of resources related to OPEB resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB will be recognized in the OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2025	\$ (389,200)
2026	(353,000)
2027	(250,600)
2028	(100,000)
2029	(40,000)
Thereafter	5,500

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-Group Life Insurance (GLI) Plan (OPEB Plan):***Plan Description***

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

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

Note 17-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

Eligible Employees

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

Benefit Amounts

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

Contributions

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

Contributions to the Group Life Insurance Plan from the County were \$55,309 and \$47,991 for the years ended June 30, 2024 and June 30, 2023, respectively.

Contributions to the Group Life Insurance Plan from the Component Unit School Board (nonprofessional) were \$9,055 and \$8,834 for the years ended June 30, 2024 and June 30, 2023, respectively.

Contributions to the Group Life Insurance Plan from the Component Unit School Board (professional) were \$145,304 and \$134,026 for the years ended June 30, 2024 and June 30, 2023, respectively.

Note 17-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Contributions (Continued)

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

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

County of Wythe, Virginia Group Life Insurance Plan

On June 30, 2024, the entity reported a liability of \$452,486 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2023 and June 30, 2022, the participating employer's proportion was 0.0377%.

For the year ended June 30, 2024, the participating employer recognized GLI OPEB expense of \$24,574. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

Component Unit School Board (nonprofessional) Group Life Insurance Plan

On June 30, 2024, the entity reported a liability of \$83,352 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2023, the participating employer's proportion was 0.0070% as compared to 0.0068% at June 30, 2022.

For the year ended June 30, 2024, the participating employer recognized GLI OPEB expense of \$3,730. 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.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 17-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)*****GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Plan OPEB (Continued)****Component Unit School Board (professional) Group Life Insurance Plan*

On June 30, 2024, the entity reported a liability of \$1,263,717 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2023, the participating employer's proportion was 0.1054% as compared to 0.1044% at June 30, 2022.

For the year ended June 30, 2024, the participating employer recognized GLI OPEB expense of \$37,103. 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.

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

	Primary Government		Component Unit School Board (nonprofessional)		Component Unit School Board (professional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 45,192	\$ 13,735	\$ 8,325	\$ 2,530	\$ 126,214	\$ 38,360
Net difference between projected and actual earnings on GLI OPEB plan investments	-	18,184	-	3,350	-	50,783
Change in assumptions	9,673	31,350	1,782	5,775	27,012	87,555
Changes in proportion	26,643	7,111	1,772	3,408	14,370	28,926
Employer contributions subsequent to the measurement date	55,309	-	9,055	-	145,304	-
Total	\$ 136,817	\$ 70,380	\$ 20,934	\$ 15,063	\$ 312,900	\$ 205,624

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 17-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

\$55,309, \$9,055, and \$145,304 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>Primary Government</u>	<u>Component Unit School Board (nonprofessional)</u>	<u>Component Unit School Board (professional)</u>
2025	\$ 1,359	\$ (1,018)	\$ (21,850)
2026	(10,204)	(3,889)	(58,312)
2027	12,053	743	21,916
2028	3,351	(73)	5,744
2029	4,569	1,053	14,474

Actuarial Assumptions

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

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

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Note 17-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)***GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Plan OPEB (Continued)*****Mortality Rates - Teachers****Pre-Retirement:**

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

Note 17-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

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

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 17-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**Actuarial Assumptions: (Continued)**

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 17-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**Actuarial Assumptions: (Continued)****Mortality Rates - Non-Largest Ten Locality Employers - Hazardous Duty Employees (Continued)**

Mortality Improvement Scale:

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

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

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

Note 17-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

NET GLI OPEB Liability

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

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

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

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Note 17-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)***Long-Term Expected Rate of Return***

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

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

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

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

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Note 17-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 the employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2023, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County's proportionate share of the GLI Plan Net OPEB Liability	\$ 670,725	\$ 452,486	\$ 276,039
Component Unit School Board's (nonprofessional) proportionate share of the GLI Plan Net OPEB Liability	\$ 123,554	\$ 83,352	\$ 50,849
Component Unit School Board's (professional) proportionate share of the GLI Plan Net OPEB Liability	\$ 1,873,223	\$ 1,263,717	\$ 770,927

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Note 17-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

GLI Plan Fiduciary Net Position

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

Note 18-Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 18-Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>45</u>
Inactive members:	
Vested inactive members	2
Non-vested inactive members	31
Inactive members active elsewhere in VRS	57
Total inactive members	<u>90</u>
Active members	<u>57</u>
Total covered employees	<u>192</u>

Contributions

The contribution requirements for active employees are governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The Component Unit School Board (nonprofessional) contractually required employer contribution rate for the year ended June 30, 2024 was 0.97% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Component Unit School Board (nonprofessional) to the HIC Plan were \$16,265 and \$15,868 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net HIC OPEB Liability

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

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Note 18-Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 18-Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)***Actuarial Assumptions: (Continued)***

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

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

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 18-Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)*****Long-Term Expected Rate of Return***

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

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

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

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

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 18-Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)*****Discount Rate***

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

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 196,425	\$ 15,429	\$ 180,996
Changes for the year:			
Service cost	\$ 1,576	\$ -	\$ 1,576
Interest	12,769	-	12,769
Differences between expected and actual experience	4,887	-	4,887
Contributions - employer	-	15,868	(15,868)
Benefit payments	(17,676)	(17,676)	-
Administrative expenses	-	-	-
Other changes	-	689	(689)
Net changes	\$ 1,556	\$ (1,119)	\$ 2,675
Balances at June 30, 2023	\$ 197,981	\$ 14,310	\$ 183,671

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 18-Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)*****Sensitivity of the Component Unit School Board's (nonprofessional) HIC Net OPEB Liability to Changes in the Discount Rate***

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Component Unit School Board's (nonprofessional)			
Net HIC OPEB Liability	\$ 201,282	\$ 183,671	\$ 168,498

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

For the year ended June 30, 2024, the Component Unit School Board (nonprofessional) recognized HIC Plan OPEB expense of \$30,090. On June 30, 2024, the Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to the Component Unit School Board's (nonprofessional) HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,417	\$ 8
Net difference between projected and actual earnings on HIC OPEB plan investments	571	-
Change in assumptions	21,597	-
Employer contributions subsequent to the measurement date	16,265	-
Total	\$ 53,850	\$ 8

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 18-Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

\$16,265 reported as deferred outflows of resources related to the HIC OPEB resulting from the Component Unit School Board's (nonprofessional) contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>		
2025	\$	18,312
2026		16,393
2027		2,673
2028		199

HIC Plan Data

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

Note 19-Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

The Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent (professional) employees of public-school divisions are automatically covered by the VRS Teacher Employee HIC Plan. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit 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.

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Note 19-Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Plan Description (Continued)

The specific information for the Teacher HIC Plan OPEB, including eligibility, coverage, and benefits 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 are governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2024 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$325,588 and \$300,295 for the years ended June 30, 2024 and June 30, 2023, respectively.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 19-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, 2024, the school division reported a liability of \$3,015,218 for its proportionate share of the VRS Teacher Employee HIC Net OPEB Liability. The Net VRS Teacher Employee Health Insurance Credit OPEB Liability was measured as of June 30, 2023 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2023, the school division's proportion of the VRS Teacher Employee Health Insurance Credit Program was 0.2489% as compared to 0.2415% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized VRS Teacher Employee HIC OPEB expense of \$202,198. Since there was a change in proportionate share measurement dates, a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 132,715
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	1,513	-
Change in assumptions	70,189	3,038
Change in proportion and differences between actual and expected contributions	83,675	110,158
Employer contributions subsequent to the measurement date	325,588	-
Total	\$ 480,965	\$ 245,911

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 19-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)

\$325,588 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2025	\$ (42,557)
2026	(32,542)
2027	(10,879)
2028	(9,128)
2029	(1,155)
Thereafter	5,727

Actuarial Assumptions

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

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

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Note 19-Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)***Actuarial Assumptions (Continued)*****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

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

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

Note 19-Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee HIC Plan represents the plan’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2023, NOL amounts for the VRS Teacher Employee HIC Plan is as follows (amounts expressed in thousands):

		Teacher Employee HIC OPEB Plan
		<hr/>
Total Teacher Employee HIC OPEB Liability	\$	1,475,471
Plan Fiduciary Net Position		264,054
Teacher Employee Net HIC OPEB Liability (Asset)	\$	<hr/> <u>1,211,417</u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		17.90%

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

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Note 19-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	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	<u>100.00%</u>		<u>5.75%</u>
		Inflation	2.50%
		Expected arithmetic nominal return**	<u>8.25%</u>

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

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

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 19-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, 2022, the rate contributed by each school division for the VRS Teacher Employee HIC Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2023 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan			
Net HIC OPEB Liability	\$ 3,410,548	\$ 3,015,218	\$ 2,680,210

Teacher Employee HIC OPEB Fiduciary Net Position

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

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024**Note 20-Line of Duty Act (LODA) (OPEB Benefits):**

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

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

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The County's LODA coverage is fully covered or "insured" through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The County's LODA premium for the year ended June 30, 2024 was \$39,139.

Note 21-Leases Receivable:

The following is a summary of lessor activity of the County for the year ended June 30, 2024:

	Beginning Balance	Increases/ Issuances	Decreases/ Retirements	Ending Balance	Interest Revenue
Leases receivable	\$ 869,533	\$ 1,564,339	\$ (219,141)	\$ 2,214,731	\$ 27,141

Lease revenue recognized during the year was \$294,967.

Details of leases receivable:

Lease Description	Lease Origination Date*	End Date	Payment Frequency	Discount Rate	Ending Balance	Amount Due Within One Year
Health department building	12/1/2022	2028	Monthly	1.50%	\$ 632,640	\$ 178,527
Progress Park land	1/1/2021	2026	Annually	0.76%	32,001	32,001
APEX Center	1/1/2024	2033	Monthly	2.43%	1,550,090	57,736
Total					\$ 2,214,731	\$ 268,264

There are no variable payments for any of the leases above

*Date shown is the original lease commencement date. GASB Statement No. 87 was implemented as of July 1, 2021.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

Note 22-Adoption of Accounting Principle:

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

Note 23-Restatement of Beginning Balances:

Beginning net position and fund balance for the Component Unit School Board were restated to include Max Meadows Elementary School Activity Funds. During fiscal year 2023, sufficient documentation was not available for a material amount of disbursements of the Max Meadows Elementary School Activity Funds, which was excluded from the financial statements.

	<u>Fund Balance</u>	<u>Net Position</u>
	<u>School Activity</u>	<u>School</u>
	<u>Fund</u>	<u>Board</u>
Beginning balance, as previously stated	\$ 1,430,076	\$ 2,027,671
SAF activity previously excluded	1,620	1,620
Beginning balance, as restated	<u>\$ 1,431,696</u>	<u>\$ 2,029,291</u>

Note 24-Subsequent Events:

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

Note 25-Upcoming Pronouncements:

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

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

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

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

Required Supplementary Information

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 25,796,236	\$ 25,796,236	\$ 26,009,099	\$ 212,863
Other local taxes	8,502,000	8,502,000	9,327,467	825,467
Permits, privilege fees, and regulatory licenses	308,500	308,500	526,672	218,172
Fines and forfeitures	632,000	632,000	672,743	40,743
Revenue from the use of money and property	1,682,611	1,682,611	3,208,587	1,525,976
Charges for services	303,500	303,500	551,017	247,517
Miscellaneous	653,000	653,000	1,103,597	450,597
Recovered costs	2,162,012	2,162,012	1,825,961	(336,051)
Intergovernmental	13,494,023	13,604,690	15,875,989	2,271,299
Total revenues	\$ 53,533,882	\$ 53,644,549	\$ 59,101,132	\$ 5,456,583
EXPENDITURES				
Current:				
General government administration	\$ 3,272,944	\$ 3,609,568	\$ 2,976,725	\$ 632,843
Judicial administration	1,979,389	2,105,629	1,982,513	123,116
Public safety	13,461,491	13,853,847	9,565,086	4,288,761
Public works	3,743,400	4,506,600	3,510,233	996,367
Health and welfare	10,141,007	10,188,368	9,866,753	321,615
Education	14,469,695	30,455,211	18,626,345	11,828,866
Parks, recreation, and cultural	881,787	883,510	756,657	126,853
Community development	1,244,904	1,374,219	1,267,837	106,382
Nondepartmental	3,600	3,600	338	3,262
Capital projects	7,990,995	16,083,303	7,882,029	8,201,274
Debt service:				
Principal retirement	3,595,633	3,645,633	3,640,366	5,267
Interest and other fiscal charges	1,185,089	1,185,089	1,185,089	-
Bond issuance costs*	-	-	55,632	(55,632)
Total expenditures	\$ 61,969,934	\$ 87,894,577	\$ 61,315,603	\$ 26,578,974
Excess (deficiency) of revenues over (under) expenditures	\$ (8,436,052)	\$ (34,250,028)	\$ (2,214,471)	\$ 32,035,557
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 604,302	\$ 604,309	\$ 3,030,782	\$ 2,426,473
Issuance of general obligation bonds	1,500,000	1,500,000	2,900,000	1,400,000
Issuance of lease liabilities*	-	-	670,339	670,339
Sale of capital assets	5,000	5,000	67,858	62,858
Total other financing sources (uses)	\$ 2,109,302	\$ 2,109,309	\$ 6,668,979	\$ 4,559,670
Net change in fund balances	\$ (6,326,750)	\$ (32,140,719)	\$ 4,454,508	\$ 36,595,227
Fund balances - beginning	6,326,750	32,140,719	56,573,460	24,432,741
Fund balances - ending	\$ -	\$ -	\$ 61,027,968	\$ 61,027,968

*Note: All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP), except for the treatment of debt issuance costs and lease issuance activity. These items are not subject to appropriation and therefore the issuances and related expenditures are not budgeted. Accordingly, issuance costs totaling \$55,632 and lease issuances totaling \$670,339 are not budgeted.

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

Date (1)	Proportion of the Net Pension Liability (Asset) (NPLA) (2)	Proportionate Share of the NPLA (3)	Covered Payroll (4)	Proportionate Share of the NPLA as a Percentage of Covered Payroll (3)/(4) (5)	Pension Plan's Fiduciary Net Position as a Percentage of Total Pension Liability (Asset) (6)
Primary Government					
2023	98.77%	\$ 2,025,917	8,815,130	22.98%	95.40%
2022	98.69%	2,185,693	7,735,055	28.26%	94.87%
2021	98.56%	274,788	7,463,513	3.68%	99.34%
2020	96.25%	5,915,942	7,451,177	79.40%	84.70%
2019	95.20%	3,193,067	6,376,852	50.07%	91.14%
2018	95.66%	1,923,366	6,523,683	29.48%	94.30%
2017	96.16%	1,841,338	6,519,560	28.24%	94.37%
2016	96.35%	3,656,416	6,168,475	59.28%	88.53%
2015	96.42%	2,513,192	6,040,131	41.61%	92.90%
2014	96.42%	2,483,113	6,030,523	41.18%	91.69%
Component Unit School Board (professional)					
2023	0.2538%	\$ 25,656,129	24,819,550	103.37%	82.45%
2022	0.2457%	23,387,351	22,510,176	103.90%	82.61%
2021	0.2456%	19,064,614	21,293,933	89.53%	85.46%
2020	0.2485%	36,156,000	21,533,806	167.90%	71.47%
2019	0.2527%	33,255,440	20,985,461	158.47%	73.51%
2018	0.2585%	30,404,000	20,774,929	146.35%	74.81%
2017	0.2652%	32,609,000	20,823,957	156.59%	72.92%
2016	0.2678%	37,532,000	20,401,102	183.97%	68.28%
2015	0.2741%	34,501,000	20,379,338	169.29%	70.68%
2014	0.2808%	33,939,000	18,333,516	185.12%	70.88%

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 143,526	\$ 128,628	\$ 140,664	\$ 142,476	\$ 134,549	\$ 132,216	\$ 121,007	\$ 136,260	\$ 149,645	\$ 133,560
Interest	481,398	466,299	432,040	436,571	428,825	417,302	414,940	412,919	398,722	388,911
Changes in assumptions	(6,121)	132,678	74,820	(153,501)	164,871	-	(31,193)	-	-	-
Differences between expected and actual experience	(483,792)	(553,844)	(460,205)	(525,140)	(415,806)	(413,447)	(420,552)	(67,963)	90,642	(376,325)
Benefit payments	135,011	173,761	425,739	(99,594)	396,313	165,785	30,191	(2,901)	250,714	146,146
Net change in total pension liability	7,230,191	7,056,430	6,630,691	6,730,285	6,331,972	6,168,187	6,137,996	6,140,897	5,890,183	5,744,037
Total pension liability - beginning	7,365,202	7,230,191	7,056,430	6,630,691	6,730,285	6,333,972	6,168,187	6,137,996	6,140,897	5,890,183
Total pension liability - ending (a)										
Plan fiduciary net position										
Contributions - employer	\$ 143,433	\$ 108,107	\$ 105,519	\$ 113,181	\$ 109,285	\$ 116,776	\$ 115,538	\$ 133,755	\$ 134,262	\$ 133,742
Contributions - employee	71,443	65,565	64,965	67,883	65,072	63,367	62,491	59,098	60,221	62,468
Net investment income	425,037	(2,798)	1,565,108	113,225	386,449	418,789	639,326	90,042	247,316	764,259
Benefit payments	(483,792)	(553,844)	(460,205)	(525,140)	(415,806)	(413,447)	(420,552)	(484,117)	(388,295)	(376,325)
Administrator charges	(4,361)	(4,492)	(4,068)	(4,059)	(3,986)	(3,737)	(3,850)	(3,593)	(3,530)	(4,237)
Other	171	158	146	(132)	(243)	(368)	(562)	(39)	(51)	40
Net change in plan fiduciary net position	151,931	(387,304)	1,271,465	(235,042)	140,771	181,380	392,391	(204,854)	49,923	579,947
Plan fiduciary net position - beginning	6,726,584	7,113,888	5,842,423	6,077,465	5,936,694	5,755,314	5,362,923	5,567,777	5,517,854	4,937,907
Plan fiduciary net position - ending (b)	6,878,515	6,726,584	7,113,888	5,842,423	6,077,465	5,936,694	5,755,314	5,362,923	5,567,777	5,517,854
School Division's net pension liability (asset) - ending (a) - (b)	\$ 486,687	\$ 503,607	\$ (57,458)	\$ 788,268	\$ 652,820	\$ 397,278	\$ 412,873	\$ 775,073	\$ 573,120	\$ 372,329
Plan fiduciary net position as a percentage of the total pension liability	93.39%	93.03%	100.81%	88.11%	90.30%	93.73%	93.31%	87.37%	90.67%	93.68%
Covered payroll	\$ 1,635,877	\$ 1,486,996	\$ 1,432,655	\$ 1,468,734	\$ 1,415,719	\$ 1,355,799	\$ 1,329,756	\$ 1,240,650	\$ 1,228,806	\$ 1,243,058
School Division's net pension liability (asset) as a percentage of covered payroll	29.75%	33.87%	-4.01%	53.67%	46.11%	29.30%	31.05%	62.47%	46.64%	29.95%

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

		Contributions in Relation to			
	Contractually Required Contribution	Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
Date	(1)*	(2)*	(3)	(4)	(5)
Primary Government					
2024	\$ 1,083,292	\$ 1,083,292	\$ -	\$ 10,179,688	10.64%
2023	948,952	948,952	-	8,815,130	10.77%
2022	792,183	792,183	-	7,735,055	10.24%
2021	728,445	728,445	-	7,463,513	9.76%
2020	569,220	569,220	-	7,451,177	7.64%
2019	504,820	504,820	-	6,376,852	7.92%
2018	548,796	548,796	-	6,523,683	8.41%
2017	553,130	553,130	-	6,519,560	8.48%
2016	709,867	709,867	-	6,168,475	11.51%
2015	700,844	700,844	-	6,040,131	11.60%
Component Unit School Board (Nonprofessional)					
2024	\$ 145,075	\$ 145,075	\$ -	\$ 1,676,769	8.65%
2023	143,433	143,433	-	1,635,877	8.77%
2022	109,190	109,190	-	1,486,996	7.34%
2021	105,519	105,519	-	1,432,655	7.37%
2020	113,181	113,181	-	1,468,734	7.71%
2019	109,285	109,285	-	1,415,719	7.72%
2018	116,776	116,776	-	1,355,799	8.61%
2017	115,538	115,538	-	1,329,756	8.69%
2016	133,755	133,755	-	1,240,650	10.78%
2015	134,362	134,362	-	1,228,806	10.93%
Component Unit School Board (Professional)					
2024	\$ 4,322,729	\$ 4,322,729	\$ -	\$ 26,908,124	16.06%
2023	4,007,037	4,007,037	-	24,819,550	16.14%
2022	3,649,243	3,649,243	-	22,510,176	16.21%
2021	3,468,853	3,468,853	-	21,293,933	16.29%
2020	3,302,199	3,302,199	-	21,533,806	15.33%
2019	3,237,661	3,237,661	-	20,985,461	15.43%
2018	3,359,679	3,359,679	-	20,774,929	16.17%
2017	3,028,364	3,028,364	-	20,823,957	14.54%
2016	2,853,193	2,853,193	-	20,401,102	13.99%
2015	2,946,998	2,946,998	-	20,379,338	14.46%

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

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

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

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

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

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

All Others (Non 10 Largest) - Hazardous Duty:

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

Component Unit School Board - Professional Employees:

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

County of Wythe, Virginia
Schedule of County's Proportionate Share of the Total Health Insurance OPEB Liability
For the Measurement Dates of July 1, 2017 through July 1, 2023

Date	Proportion of the Total OPEB Liability (Asset)	Proportionate Share of the TOLA	Covered- Employee Payroll	Proportionate Share of the TOLA as a Percentage of Covered-Employee Payroll
(1)	(2)	(3)	(4)	(3)/(4)
2023	98.77%	\$ 814,033	\$ 8,056,373	10.10%
2022	98.69%	770,807	8,049,847	9.58%
2021	98.56%	922,398	7,321,724	12.60%
2020	96.25%	849,408	7,150,316	11.88%
2019	95.62%	767,083	5,440,144	14.10%
2018	95.66%	741,073	5,442,289	13.62%
2017	95.66%	991,422	5,837,938	16.98%

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 Wythe, Virginia
Schedule of Changes in Total Health Insurance OPEB Liability and Related Ratios
Component Unit School Board
For the Measurement Dates of July 1, 2017 through July 1, 2023

	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability							
Service cost	\$ 142,500	\$ 211,900	\$ 190,500	\$ 177,200	\$ 168,800	\$ 197,600	\$ 192,800
Interest	109,000	70,300	85,000	141,300	165,600	183,100	178,300
Changes in assumptions	(40,700)	(479,700)	380,500	178,700	186,300	(437,300)	-
Differences between expected and actual experience	86,400	(268,400)	(296,500)	(1,360,100)	(383,600)	(256,900)	-
Benefit payments	(161,500)	(181,400)	(195,000)	(195,000)	(216,800)	(239,500)	(239,500)
Net change in total OPEB liability	\$ 135,700	\$ (647,300)	\$ 164,500	\$ (1,057,900)	\$ (79,700)	\$ (553,000)	\$ 131,600
Total OPEB liability - beginning	2,892,100	3,539,400	3,374,900	4,432,800	4,512,500	5,065,500	4,933,900
Total OPEB liability - ending	\$ 3,027,800	\$ 2,892,100	\$ 3,539,400	\$ 3,374,900	\$ 4,432,800	\$ 4,512,500	\$ 5,065,500
Covered-employee payroll	\$ 25,176,000	\$ 25,176,000	\$ 21,850,300	\$ 21,850,300	\$ 21,538,700	\$ 21,538,700	\$ 20,624,300
Component Unit School Board's total OPEB liability as a percentage of covered-employee payroll	12.03%	11.49%	16.20%	15.45%	20.58%	20.95%	24.56%

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

County of Wythe, Virginia
Notes to Required Supplementary Information - County and Component Unit School Board Health Insurance OPEB
For the Year Ended June 30, 2024

Primary Government

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

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age actuarial cost method
Discount Rate	3.86%
Inflation	2.50%
Healthcare Trend Rate	9.83% for fiscal year ended 2023 (to reflect actual experience), then 6.50% for fiscal year 2024, decreasing 0.25% per year to an ultimate rate of 5.00%
Salary Increase Rates	Salaries are assumed to increase 2.50% annually.
Retirement Age	The average age at retirement is 62.
Mortality Rates	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021

Component Unit School Board

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

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age actuarial cost method
Discount Rate	3.86%
Inflation	2.50%
Healthcare Trend Rate	9.83% for fiscal year ended 2023 (to reflect actual experience), then 6.50% for fiscal year 2024, decreasing 0.25% per year to an ultimate rate of 5.00%
Salary Increase Rates	Salaries are assumed to increase 2.50% annually.
Retirement Age	The average age at retirement is 62.
Mortality Rates	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021

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

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Primary Government					
2023	0.0377%	\$ 452,486	\$ 8,887,222	5.09%	69.30%
2022	0.0377%	453,368	8,189,244	5.54%	67.21%
2021	0.0367%	426,287	7,507,607	5.68%	67.45%
2020	0.0365%	594,478	7,325,551	8.12%	52.64%
2019	0.0327%	530,139	6,376,851	8.31%	52.00%
2018	0.0344%	522,299	6,523,683	8.01%	51.22%
2017	0.0354%	532,726	6,519,560	8.17%	48.86%
Component Unit School Board (nonprofessional)					
2023	0.0070%	\$ 83,352	\$ 1,635,926	5.10%	69.30%
2022	0.0068%	82,360	1,486,996	5.54%	67.21%
2021	0.0070%	82,081	1,449,080	5.66%	67.45%
2020	0.0072%	120,824	1,487,842	8.12%	52.64%
2019	0.0071%	116,187	1,417,544	8.20%	52.00%
2018	0.0071%	108,000	1,355,799	7.97%	51.22%
2017	0.0072%	108,000	1,329,756	8.12%	48.86%
Component Unit School Board (professional)					
2023	0.1054%	\$ 1,263,717	\$ 24,819,630	5.09%	69.30%
2022	0.1044%	1,257,197	22,711,685	5.54%	67.21%
2021	0.1040%	1,210,725	21,430,397	5.65%	67.45%
2020	0.1044%	1,741,431	21,549,379	8.08%	52.64%
2019	0.1073%	1,745,894	21,028,211	8.30%	52.00%
2018	0.1092%	1,658,000	20,774,929	7.98%	51.22%
2017	0.1129%	1,699,000	20,823,957	8.16%	48.86%

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

County of Wythe, Virginia
Schedule of Employer Contributions
Group Life Insurance (GLI) Plan
For the Years Ended June 30, 2015 through June 30, 2024

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2024	\$ 55,309	\$ 55,309	\$ -	\$ 10,242,484	0.54%
2023	47,991	47,991	-	8,887,222	0.54%
2022	44,223	44,223	-	8,189,244	0.54%
2021	40,823	40,823	-	7,507,607	0.54%
2020	38,116	38,116	-	7,325,551	0.52%
2019	33,160	33,160	-	6,376,851	0.52%
2018	33,739	33,739	-	6,523,683	0.52%
2017	33,958	33,958	-	6,519,560	0.52%
2016	33,034	29,918	3,116	6,168,475	0.49%
2015	32,066	29,041	3,025	6,040,131	0.48%
Component Unit School Board (nonprofessional)					
2024	\$ 9,055	\$ 9,055	\$ -	\$ 1,676,769	0.54%
2023	8,834	8,834	-	1,635,926	0.54%
2022	8,030	8,030	-	1,486,996	0.54%
2021	7,888	7,888	-	1,449,080	0.54%
2020	7,748	7,748	-	1,487,842	0.52%
2019	7,371	7,371	-	1,417,544	0.52%
2018	7,051	7,051	-	1,355,799	0.52%
2017	6,915	6,915	-	1,329,756	0.52%
2016	5,946	5,946	-	1,240,650	0.48%
2015	5,893	5,893	-	1,228,806	0.48%
Component Unit School Board (professional)					
2024	\$ 145,304	\$ 145,304	\$ -	\$ 26,908,124	0.54%
2023	134,026	134,026	-	24,819,630	0.54%
2022	122,643	122,643	-	22,711,685	0.54%
2021	115,914	115,914	-	21,430,397	0.54%
2020	111,698	111,698	-	21,549,379	0.52%
2019	109,348	109,348	-	21,028,211	0.52%
2018	108,031	108,031	-	20,774,929	0.52%
2017	108,289	108,289	-	20,823,957	0.52%
2016	98,014	98,014	-	20,401,102	0.48%
2015	97,823	97,823	-	20,379,338	0.48%

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

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

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

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

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

	2023	2022	2021	2020	2019	2018	2017
Total HIC OPEB Liability							
Service cost	\$ 1,576	\$ 2,663	\$ 3,552	\$ 2,694	\$ 2,703	\$ 2,000	\$ 2,000
Interest	12,769	9,319	9,270	9,908	10,626	10,000	11,000
Changes in benefit terms	-	-	-	2,048	-	-	-
Differences between expected and actual experience	-	-	-	-	-	-	-
Changes of assumptions	4,887	20,574	5,347	(3,640)	(3,647)	5,000	-
Benefit payments	-	40,228	2,170	-	3,036	-	-
Other	(17,676)	(23,500)	(21,068)	(19,855)	(15,620)	(16,000)	(16,000)
	-	-	-	-	617	-	-
Net change in total HIC OPEB liability	\$ 1,556	\$ 49,284	\$ (729)	\$ (8,845)	\$ (2,285)	\$ 1,000	\$ (3,000)
Total HIC OPEB Liability - beginning	196,425	147,141	147,870	156,715	159,000	158,000	161,000
Total HIC OPEB Liability - ending (a)	\$ 197,981	\$ 196,425	\$ 147,141	\$ 147,870	\$ 156,715	\$ 159,000	\$ 158,000
Plan fiduciary net position							
Contributions - employer	\$ 15,868	\$ 12,233	\$ 11,951	\$ 12,034	\$ 11,429	\$ 11,000	\$ 11,000
Net investment income	-	213	2,904	410	1,507	2,000	3,000
Benefit payments	(17,676)	(23,500)	(21,068)	(19,855)	(15,620)	(16,000)	(16,000)
Administrator charges	-	(12)	(12)	(30)	(30)	-	-
Other	689	15,666	-	-	209	(1,000)	1,000
Net change in plan fiduciary net position	\$ (1,119)	\$ 4,600	\$ (6,225)	\$ (7,441)	\$ (2,505)	\$ (4,000)	\$ (1,000)
Plan fiduciary net position - beginning	15,429	10,829	17,054	24,495	27,000	31,000	32,000
Plan fiduciary net position - ending (b)	\$ 14,310	\$ 15,429	\$ 10,829	\$ 17,054	\$ 24,495	\$ 27,000	\$ 31,000
Component Unit School Board's (nonprofessional) net HIC OPEB liability - ending (a) - (b)	\$ 183,671	\$ 180,996	\$ 136,312	\$ 130,816	\$ 132,220	\$ 132,000	\$ 127,000
Plan fiduciary net position as a percentage of the total HIC OPEB liability	7.23%	7.85%	7.36%	11.53%	15.63%	16.98%	19.62%
Covered payroll	\$ 1,635,877	\$ 1,486,996	\$ 1,432,655	\$ 1,468,734	\$ 1,415,719	\$ 1,355,799	\$ 1,329,756
Component Unit School Board's (nonprofessional) net HIC OPEB liability as a percentage of covered payroll	11.23%	12.17%	9.51%	8.91%	9.34%	9.74%	9.55%

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 Wythe, Virginia
Schedule of Component Unit School Board's (professional) Share of Net OPEB Liability
Teacher Health Insurance Credit (HIC) Program
For the Measurement Dates of June 30, 2017 through June 30, 2023

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2023	0.2489%	\$ 3,015,218	\$ 24,817,769	12.15%	17.90%
2022	0.2415%	3,016,697	22,510,176	13.40%	15.08%
2021	0.2411%	3,094,942	21,293,933	14.53%	13.15%
2020	0.2444%	3,187,847	21,500,625	14.83%	9.95%
2019	0.2502%	3,275,885	20,985,461	15.61%	8.97%
2018	0.2567%	3,259,000	20,774,929	15.69%	8.08%
2017	0.2639%	3,347,000	20,823,957	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 Wythe, Virginia
Schedule of Employer Contributions
Health Insurance Credit (HIC) Plan
For the Years Ended June 30, 2015 through June 30, 2024

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Component Unit School Board (nonprofessional)					
2024	\$ 16,265	\$ 16,265	\$ -	\$ 1,676,769	0.97%
2023	15,868	15,868	-	1,635,877	0.97%
2022	12,342	12,342	-	1,486,996	0.83%
2021	11,951	11,951	-	1,432,655	0.83%
2020	12,038	12,038	-	1,468,734	0.82%
2019	11,757	11,757	-	1,415,719	0.83%
2018	10,843	10,843	-	1,355,799	0.80%
2017	11,000	11,000	-	1,329,756	0.83%
2016	9,538	9,538	-	1,240,650	0.77%
2015	9,454	9,454	-	1,228,806	0.77%
Component Unit School Board (professional)					
2024	\$ 325,588	\$ 325,588	\$ -	\$ 26,908,124	1.21%
2023	300,295	300,295	-	24,817,769	1.21%
2022	272,373	272,373	-	22,510,176	1.21%
2021	258,889	258,889	-	21,293,933	1.22%
2020	257,119	257,119	-	21,500,625	1.20%
2019	251,826	251,826	-	20,985,461	1.20%
2018	255,531	255,531	-	20,774,929	1.23%
2017	231,155	231,155	-	20,823,957	1.11%
2016	216,447	216,447	-	20,401,102	1.06%
2015	216,025	216,025	-	20,379,338	1.06%

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

Component Unit School Board (nonprofessional)

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

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

Non-Largest Ten Locality Employers - General Employees

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

Component Unit School Board (professional)

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

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

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

Other Supplementary Information

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Revenue from the use of money and property	\$ 317,550	\$ 317,550	\$ 443,516	\$ 125,966
Charges for services	16,000	16,000	18,654	2,654
Recovered costs	-	-	450,000	450,000
Total revenues	<u>\$ 333,550</u>	<u>\$ 333,550</u>	<u>\$ 912,170</u>	<u>\$ 578,620</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 333,550</u>	<u>\$ 333,550</u>	<u>\$ 912,170</u>	<u>\$ 578,620</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (333,550)	\$ (333,550)	\$ (3,030,782)	\$ (2,697,232)
Total other financing sources (uses)	<u>\$ (333,550)</u>	<u>\$ (333,550)</u>	<u>\$ (3,030,782)</u>	<u>\$ (2,697,232)</u>
Net change in fund balances	\$ -	\$ -	\$ (2,118,612)	\$ (2,118,612)
Fund balances - beginning	-	-	8,402,258	8,402,258
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,283,646</u>	<u>\$ 6,283,646</u>

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

School Operating Fund - The School Operating Fund accounts for and reports the operations of the County's school system. Financing is provided by the State and Federal governments as well as contributions from the General Fund.

School Activity Fund - The School Activity Fund accounts for and reports the operations of the individual schools.

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

	School Operating Fund	School Activity Fund	Total School Fund
ASSETS			
Cash and cash equivalents	\$ 6,369,911	\$ 1,538,637	\$ 7,908,548
Receivables (net of allowance for uncollectibles):			
Accounts receivable	15,773	15,117	30,890
Due from primary government	23,160	-	23,160
Due from other governmental units	3,305,584	-	3,305,584
Inventories (restricted for school cafeterias)	55,569	-	55,569
Prepaid items	965,604	-	965,604
Total assets	<u>\$ 10,735,601</u>	<u>\$ 1,553,754</u>	<u>\$ 12,289,355</u>
LIABILITIES			
Liabilities:			
Accounts payable	\$ 541,243	\$ -	\$ 541,243
Construction and retainage payable	1,615,427	-	1,615,427
Salaries payable	3,724,708	-	3,724,708
Unearned revenue	1,419,849	-	1,419,849
Total liabilities	<u>\$ 7,301,227</u>	<u>\$ -</u>	<u>\$ 7,301,227</u>
FUND BALANCES			
Nonspendable			
Inventories	\$ 55,569	\$ -	\$ 55,569
Prepaid items	965,604	-	965,604
Restricted:			
School activity fund	-	1,553,754	1,553,754
School cafeterias	1,414,983	-	1,414,983
Unassigned	998,218	-	998,218
Total fund balances	<u>\$ 3,434,374</u>	<u>\$ 1,553,754</u>	<u>\$ 4,988,128</u>
Total liabilities and fund balances	<u>\$ 10,735,601</u>	<u>\$ 1,553,754</u>	<u>\$ 12,289,355</u>

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total fund balances per above \$ 4,988,128

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

Capital assets not being depreciated/amortized	\$ 19,250,988	
Capital assets being depreciated/amortized	58,028,856	
Accumulated depreciation/amortization	<u>(34,033,778)</u>	\$ 43,246,066

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

Pension related items	\$ 8,523,537	
OPEB related items	<u>1,453,649</u>	9,977,186

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

Lease liabilities	\$ (606)	
Compensated absences	(1,092,307)	
Net OPEB liabilities	(7,573,758)	
Net pension liability	<u>(26,142,816)</u>	(34,809,487)

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

Pension related items	\$ (3,132,025)	
OPEB related items	<u>(2,017,406)</u>	(5,149,431)

Net position (deficit) of governmental activities		<u>\$ 18,252,462</u>
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County of Wythe, Virginia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2024

	School Operating Fund	School Activity Fund*	Total School Fund
REVENUES			
Revenue from the use of money and property	\$ 215,760	\$ -	\$ 215,760
Charges for services	692,779	2,069,208	2,761,987
Miscellaneous	285,302	-	285,302
Recovered costs	501,417	-	501,417
Intergovernmental	69,353,417	-	69,353,417
Total revenues	<u>\$ 71,048,675</u>	<u>\$ 2,069,208</u>	<u>\$ 73,117,883</u>
EXPENDITURES			
Current:			
Education	\$ 55,500,506	\$ 2,777,266	\$ 58,277,772
Capital projects	15,648,401		15,648,401
Debt service:			
Principal retirement	8,794	-	8,794
Interest and other fiscal charges	7	-	7
Total expenditures	<u>\$ 71,157,708</u>	<u>\$ 2,777,266</u>	<u>\$ 73,934,974</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (109,033)</u>	<u>\$ (708,058)</u>	<u>\$ (817,091)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 50,340	\$ 880,456	\$ 930,796
Transfers out	(880,456)	(50,340)	(930,796)
Total other financing sources (uses)	<u>\$ (830,116)</u>	<u>\$ 830,116</u>	<u>\$ -</u>
Net change in fund balances	\$ (939,149)	\$ 122,058	\$ (817,091)
Fund balances - beginning, as previously reported	4,373,523	1,430,076	5,803,599
Restatements	-	1,620	1,620
Fund balances - beginning, as restated	4,373,523	1,431,696	5,805,219
Fund balances - ending	<u>\$ 3,434,374</u>	<u>\$ 1,553,754</u>	<u>\$ 4,988,128</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 \$ (817,091)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the detail of items supporting this adjustment:

Capital outlays	\$ 12,060,495	
Transfer of asset from County	3,715,702	
Depreciation/amortization expense	<u>(1,292,763)</u>	14,483,434

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

State non-employer contribution to the pension plan 374,305

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

Principal repayments:
Lease liabilities 8,794

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

Change in compensated absences	\$ (309,593)	
Change in OPEB related items	523,754	
Change in pension related items	<u>1,959,568</u>	2,173,729

Change in net position of governmental activities \$ 16,223,171

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

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

	School Operating Fund			Variance with Final Budget Positive <u>(Negative)</u>
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 215,760	\$ 215,760
Charges for services	1,378,366	1,378,366	692,779	(685,587)
Miscellaneous	-	-	285,302	285,302
Recovered costs	380,000	380,000	501,417	121,417
Intergovernmental	57,005,125	77,440,163	69,353,417	(8,086,746)
Total revenues	<u>\$ 58,763,491</u>	<u>\$ 79,198,529</u>	<u>\$ 71,048,675</u>	<u>\$ (8,149,854)</u>
EXPENDITURES				
Current:				
Education	\$ 53,344,690	\$ 58,036,719	\$ 55,500,506	\$ 2,536,213
Capital projects	5,410,000	21,153,009	15,648,401	5,504,608
Debt service:				
Principal retirement	8,794	8,794	8,794	-
Interest and other fiscal charges	7	7	7	-
Total expenditures	<u>\$ 58,763,491</u>	<u>\$ 79,198,529</u>	<u>\$ 71,157,708</u>	<u>\$ 8,040,821</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (109,033)</u>	<u>\$ (109,033)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 50,340	\$ 50,340
Transfers out	-	-	(880,456)	(880,456)
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (830,116)</u>	<u>\$ (830,116)</u>
Net change in fund balances	\$ -	\$ -	\$ (939,149)	\$ (939,149)
Fund balances - beginning	-	-	4,373,523	4,373,523
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,434,374</u>	<u>\$ 3,434,374</u>

Statistical Information

Table 1

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

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Non-departmental	Interest on Long-Term Debt	Water/Sewer Department	Total
2023-24	\$ 869,119	\$ 1,915,361	\$ 9,460,018	\$ 3,577,288	\$ 9,702,544	\$ 17,194,056	\$ 816,281	\$ 1,668,658	\$ -	\$ 1,208,614	\$ 4,798,598	\$ 51,210,537
2022-23	1,068,139	1,461,023	8,204,953	4,362,744	9,338,634	21,933,170	720,607	2,048,338	2,170	1,249,799	4,808,117	55,197,694
2021-22	2,475,710	1,566,120	8,085,822	2,629,945	8,965,094	15,328,975	654,180	14,825,939	-	1,229,966	4,893,207	60,654,958
2020-21	2,405,893	1,656,324	8,111,446	4,443,048	11,083,463	13,491,919	618,110	2,301,827	-	1,418,111	4,363,186	49,893,327
2019-20	1,691,818	1,465,861	7,512,947	3,594,343	7,930,667	13,572,672	608,950	1,268,938	-	1,585,273	4,107,787	43,339,256
2018-19	1,254,724	1,242,975	6,803,794	2,558,930	7,390,268	17,061,608	612,628	1,010,793	-	1,642,176	3,978,183	43,556,079
2017-18	1,436,286	1,295,981	6,351,152	2,319,128	7,483,031	14,282,432	603,606	571,414	-	1,107,291	3,799,874	39,250,195
2016-17	2,077,350	1,397,035	5,933,755	2,421,854	7,059,375	14,076,234	587,212	1,132,949	-	1,134,619	3,625,177	39,445,560
2015-16	1,962,812	1,415,646	6,054,094	2,227,414	6,796,270	14,417,669	546,211	1,407,644	-	1,217,966	3,318,125	39,363,851
2014-15	1,352,398	1,092,798	6,237,978	2,306,367	6,604,731	14,166,892	553,381	879,896	-	1,164,014	3,650,586	38,009,041

Table 2

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

Fiscal Year	PROGRAM REVENUES				GENERAL REVENUES						
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	Total	
2023-24	\$ 6,244,469	\$ 13,497,389	\$ 846,455	\$	\$ 26,151,750	\$ 9,327,467	\$ 4,095,902	\$ 1,617,649	\$ 2,378,600	\$	\$ 64,159,681
2022-23	6,208,145	12,438,707	89,765		26,117,756	9,053,575	2,431,074	678,645	2,415,602		59,433,269
2021-22	5,043,265	12,697,577	341,225		22,487,548	8,265,108	467,865	759,331	2,448,962		52,510,881
2020-21	5,069,025	14,431,099	266,457		22,612,055	7,226,182	1,020,574	14,695	2,372,208		53,012,295
2019-20	4,660,873	9,111,997	264,800		21,801,978	6,551,370	1,254,952	46,009	2,477,320		46,169,299
2018-19	4,780,969	8,718,675	209,009		21,207,545	6,323,967	1,357,857	46,375	2,480,225		45,124,622
2017-18	5,169,249	8,557,870	1,973,133		19,774,868	6,268,739	1,185,342	403,052	2,541,688		45,873,941
2016-17	5,393,714	8,309,992	1,097,712		18,926,937	5,908,026	1,101,874	292,421	2,459,363		43,490,039
2015-16	4,957,694	7,877,176	824,304		18,844,528	5,796,378	1,104,094	326,712	2,475,547		42,206,433
2014-15	4,879,094	7,434,357	1,611,079		17,470,264	5,869,453	1,054,365	525,963	2,502,844		41,347,419

Table 3

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

Fiscal Year	General Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation & Cultural	Community Development	Non- Departmental	Debt Service	Capital Projects	Totals
2023-24	\$ 2,976,725	\$ 1,982,513	\$ 9,565,086	\$ 3,510,233	\$ 9,866,753	\$ 58,324,411	\$ 756,657	\$ 1,267,837	\$ 338	\$ 4,889,888	\$ 23,530,430	\$ 116,670,871
2022-23	2,677,487	1,568,025	8,085,761	2,728,311	9,411,685	54,831,456	705,829	1,330,255	-	5,189,549	19,945,447	106,473,805
2021-22	2,846,117	1,566,899	7,429,137	2,403,973	9,093,591	50,060,277	689,078	821,944	-	5,068,602	2,991,666	82,971,284
2020-21	2,929,124	1,478,694	8,517,010	2,206,047	10,881,405	46,741,585	461,101	1,892,650	-	4,575,675	2,854,185	82,537,476
2019-20	1,828,190	1,427,165	7,036,194	2,146,372	7,950,908	46,463,419	582,640	830,650	-	4,916,109	3,562,468	76,744,115
2018-19	1,702,335	1,295,561	6,579,742	2,035,896	7,519,151	54,030,893	618,432	760,131	-	4,129,790	3,897,373	82,569,304
2017-18	1,698,557	1,380,955	6,422,831	1,987,056	7,669,206	43,931,720	589,712	499,811	-	11,816,639	5,858,262	81,854,749
2016-17	2,004,152	1,437,378	5,723,203	1,915,022	7,234,170	43,535,284	568,641	489,361	-	3,792,409	2,269,432	68,969,052
2015-16	1,966,330	1,523,426	6,125,887	1,905,660	6,991,520	42,053,220	535,211	988,124	-	3,880,823	2,239,793	68,209,994
2014-15	1,805,152	1,176,799	6,201,763	1,985,530	6,813,281	41,971,276	539,507	539,507	-	3,640,919	1,866,662	66,540,396

(1) Includes General and Capital Projects Funds of the Primary Government and Discretely Presented Component Unit School Board.

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

Table 4

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

Fiscal Year	General Property Taxes	Other Local Taxes	Permits Privilege Fees and Regulatory Licenses	Fines and Forfeitures	Revenue from use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter- governmental (2)	Total
2023-24	\$ 26,009,099	\$ 9,327,467	\$ 526,672	\$ 672,743	\$ 3,867,863	\$ 3,331,658	\$ 1,388,899	\$ 2,777,378	\$ 66,649,700	\$ 114,551,479
2022-23	25,469,935	9,053,575	936,233	543,401	2,465,844	3,102,957	816,309	2,506,009	59,105,148	103,999,411
2021-22	22,672,294	8,265,108	370,711	609,517	665,462	2,396,002	44,436	1,273,622	49,636,856	85,934,008
2020-21	22,397,874	7,226,182	192,555	962,297	991,369	1,547,241	34,292	1,105,480	49,858,054	84,315,344
2019-20	21,608,077	6,551,370	127,253	1,024,193	1,207,202	1,323,662	49,309	1,043,556	41,955,346	74,889,968
2018-19	21,183,656	6,323,967	111,736	1,384,273	1,312,068	1,618,251	86,593	1,223,719	40,458,571	73,702,834
2017-18	19,580,830	6,268,739	118,142	1,465,260	1,134,598	1,753,069	599,810	1,336,262	28,414,328	60,671,038
2016-17	18,951,683	5,908,026	127,241	1,692,160	1,050,864	1,547,688	560,990	978,447	28,064,662	58,881,761
2015-16	18,524,308	5,796,378	77,292	1,399,738	1,017,302	1,624,708	556,491	1,259,319	38,488,738	68,744,274
2014-15	17,556,567	5,869,453	68,301	1,612,103	976,595	1,260,761	703,672	1,168,853	39,056,478	68,272,783

(1) Includes General and Capital Projects Funds of the Primary Government and includes discretely presented Component Unit School Board.

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

Table 5

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

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
2023-24	\$ 26,297,266	\$ 24,513,003	93.22%	\$ 1,044,833	\$ 25,557,836	97.19%	\$ 2,644,119	10.05%
2022-23	26,884,873	25,002,059	93.00%	236,004	25,238,063	93.87%	2,686,631	9.99%
2021-22	22,745,190	21,807,401	95.88%	482,534	22,289,935	98.00%	2,063,315	9.07%
2020-21	21,958,017	21,405,886	97.49%	610,333	22,016,219	100.27%	2,014,265	9.17%
2019-20	21,632,076	20,804,933	96.18%	483,929	21,288,862	98.41%	2,050,519	9.48%
2018-19	20,968,362	20,299,321	96.81%	572,654	20,871,975	99.54%	1,850,051	8.82%
2017-18	19,463,749	18,875,600	96.98%	451,463	19,327,063	99.30%	1,797,257	9.23%
2016-17	18,774,651	18,215,033	97.02%	473,797	18,688,830	99.54%	1,597,819	8.51%
2015-16	18,627,762	17,781,494	95.46%	465,647	18,247,141	97.96%	1,474,061	7.91%
2014-15	17,290,714	16,637,385	96.22%	612,697	17,250,082	99.77%	1,398,648	8.09%

(1) Exclusive of penalties and interest. Reduced by tax sharing payments.

Table 6

County of Wythe, Virginia
Assessed Value of Taxable Property (1)
Last Ten Fiscal Years

Fiscal Year	Real Estate/ Mobile Homes	Personal Property	Public Service Companies	Total
2023-24	\$ 2,916,200,695	\$ 672,511,447	\$ 371,776,072	\$ 3,960,488,214
2022-23	2,886,776,786	674,415,785	428,181,910	3,989,374,481
2021-22	2,382,771,817	549,388,227	365,607,316	3,297,767,360
2020-21	2,378,550,000	523,473,212	360,075,487	3,262,098,699
2019-20	2,358,339,797	497,596,841	359,338,718	3,215,275,356
2018-19	2,350,208,822	477,594,738	322,166,589	3,149,970,149
2017-18	2,335,399,637	478,348,830	310,470,506	3,124,218,973
2016-17	2,282,641,328	474,626,902	260,499,067	3,017,767,297
2015-16	2,274,033,452	475,988,249	229,662,169	2,979,683,870
2014-15	2,269,613,917	482,753,439	205,805,120	2,958,172,476

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

Table 7

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

Fiscal Year	Real Estate/ Mobile Homes	Personal Property	Machinery and Tools	Merchant's Capital
2023-24	\$ 0.51	\$ 2.22	\$ 1.50	\$ 0.56
2022-23	0.51	2.22	1.50	0.56
2021-22	0.54	2.32	1.50	0.56
2020-21	0.54	2.32	1.50	0.56
2019-20	0.54	2.32	1.50	0.56
2018-19	0.54	2.32	1.50	0.56
2017-18	0.49	2.32	1.50	0.56
2016-17	0.49	2.27	1.50	0.56
2015-16	0.49	2.27	1.50	0.56
2014-15	0.44	2.27	1.50	0.56

(1) Per \$100 of assessed value.

Table 8

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

Fiscal Year	Population (1)	Gross Assessed Value	Gross and Net Bonded Debt (2)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2023-24	\$ 28,104	\$ 3,960,488,214	\$ 79,047,494	2.00%	2,813
2022-23	28,111	3,989,374,481	80,834,522	2.03%	2,876
2021-22	28,290	3,297,767,360	86,074,399	2.61%	3,043
2020-21	28,754	3,262,098,699	73,770,572	2.26%	2,566
2019-20	28,754	3,215,275,356	73,770,572	2.29%	2,566
2018-19	28,754	3,149,970,149	74,062,436	2.35%	2,576
2017-18	29,235	3,124,218,973	70,108,141	2.24%	2,398
2016-17	29,235	3,017,767,297	62,473,464	2.07%	2,137
2015-16	29,235	2,979,683,870	61,034,667	2.05%	2,088
2014-15	29,235	2,958,172,476	61,787,459	2.09%	2,113

(1) United States Bureau of the Census

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

Excludes landfill closure/postclosure care liability, lease liabilities,
 compensated absences, net pension liability, and net OPEB liabilities.

Table 9

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

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures (2)	Ratio of Debt Service to General Governmental Expenditures
2023-24	\$ 3,640,366	\$ 1,185,089	\$ 4,825,455	\$ 93,140,441	5.181%
2022-23	3,938,370	1,238,157	5,176,527	86,528,358	5.982%
2021-22	3,846,898	1,093,712	4,940,610	79,979,618	6.177%
2020-21	2,936,600	1,639,075	4,575,675	79,683,291	5.742%
2019-20	3,327,110	1,578,999	4,906,109	73,181,647	6.704%
2018-19 (3)	10,234,024	1,389,758	11,623,782	78,671,931	14.775%
2017-18 (3)	10,651,394	1,165,245	11,816,639	75,996,487	15.549%
2016-17	2,592,749	1,199,660	3,792,409	66,699,620	5.686%
2015-16	1,898,541	951,619	2,850,160	65,970,201	4.320%
2014-15	2,362,227	1,278,692	3,640,919	64,673,734	5.476%

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

(2) Excludes capital project expenditures.

(3) Includes early redemption of the County's bonds.

COMPLIANCE SECTION



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

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

**To the Honorable Members of
the Board of Supervisors of the
County of Wythe, 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 unit, each major fund, and the aggregate remaining fund information of the County of Wythe, Virginia as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County of Wythe, Virginia's basic financial statements and have issued our report thereon dated November 27, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Wythe, Virginia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Wythe, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Wythe, Virginia's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a material weakness.

Report on Internal Control over Financial Reporting (continued)

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2024-002 and 2024-003 to be significant deficiencies.

Report on Compliance and Other Matters

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

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Blacksburg, Virginia
November 27, 2024



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, the County of Wythe, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County of Wythe, Virginia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County of Wythe, Virginia's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County of Wythe, Virginia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County of Wythe, Virginia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County of Wythe, Virginia's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Robinson, Farmer, Cox Associates

Blacksburg, Virginia
November 27, 2024

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024**

Federal Grantor/ State Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number		Federal Expenditures
DEPARTMENT OF AGRICULTURE:				
Pass Through Payments:				
Virginia Department of Agriculture and Consumer Services:				
Child Nutrition Cluster:				
Summer Food Service Program for Children	10.559	APE603020000/APE603030000	\$ 14,854	
Food Distribution (Note C)	10.555	Not available	\$ 132,862	
Virginia Department of Education:				
National School Lunch Program	10.555	APE402540000/APE411080000	1,579,693	1,712,555
School Breakfast Program	10.553	APE402530000		741,861
Total Child Nutrition Cluster				\$ 2,469,270
Forest Service School and Roads Cluster:				
Schools and Roads - Grants to States	10.665	APE438410000		69,467
Pandemic EBT Administrative Costs	10.649	DOE865560000		3,256
Team Nutrition Grants	10.574	APE600720000		1,925
Virginia Department of Social Services:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010123/10124/0040123/40124		710,660
Total Department of Agriculture				\$ 3,254,578
DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Pass Through Payments:				
Virginia Department of Social Services:				
Temporary Assistance for Needy Families	93.558	0400123/400124	\$ 307,629	
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950122/0950123		31,891
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500123/500124		1,401
Low-Income Home Energy Assistance	93.568	0600423/600424		72,108
CCDF Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760123/760124		68,139
Chafee Education and Training Vouchers Program	93.599	9160122/9160123		10,004
Stephanie Tubbs Jones - Child Welfare Services Program	93.645	900122/0900123		283
Social Services Block Grant	93.667	1000123/1000124		346,108
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150122/9150123		6,055
Children's Health Insurance Program	93.767	0540123/0540124		6,351
Medicaid Cluster:				
Medical Assistance Program	93.778	1200123		557,654
Foster Care - Title IV-E	93.658	1100124		353,527
Adoption Assistance	93.659	1120123/1120124		825,133
Title IV-E Prevention Program	93.472	1140123/1140124		7,432
Guardianship Assistance	93.090	1110123/1110124		3,417
Total Department of Health and Human Services				\$ 2,597,132
APPALACHIAN REGIONAL COMMISSION:				
Pass Through Payments:				
Virginia Department of Housing and Community Development				
Appalachian Area Development	23.002	Not available	\$ 2,500	
Total Appalachian Regional Commission				\$ 2,500
DEPARTMENT OF HOMELAND SECURITY:				
Pass Through Payments:				
Virginia Department of Emergency Management:				
Emergency Management Performance Grants	97.042	EMP-2022-OP-00006	\$ 13,017	
Total Department of Homeland Security				\$ 13,017

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

Federal Grantor/ State Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
DEPARTMENT OF THE TREASURY:			
Direct Payments:			
Local Assistance and Tribal Consistency Fund	21.032	Not applicable	\$ 140,076
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Not applicable	\$ 1,376,611
Pass Through Payments:			
<i>Virginia Department of Social Services:</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	9122222	32,669
<i>Virginia Department of Education:</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	APE452770	430,811
<i>Virginia Tourism Corporation:</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.207	SLFRP1026	104,000
<i>Virginia Department of Criminal Justice Services:</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.207	0000122373	367,000
Total Department of the Treasury			<u>\$ 2,451,167</u>
DEPARTMENT OF JUSTICE:			
Pass Through Payments:			
<i>Virginia Department of Criminal Justice Services:</i>			
Violence Against Women - Formula Grants	16.588	15JOVW22GG00455STOP; 15JOVW23GG00605STOP 2020V2GX0048;	\$ 24,268
Crime Victim Assistance	16.575	15POVC22GG00681ASSI 15PBJA22GG00616MUMU; 15PBJA23GG03038MUMU	57,905
Edward Byrne Memorial Justice Assistance Grant Program	16.738		3,626
Total Department of Justice			<u>\$ 85,799</u>
DEPARTMENT OF EDUCATION:			
Pass Through Payments:			
<i>Virginia Department of Education:</i>			
Supporting Effective Instruction State Grants	84.367	APE614800000	\$ 208,989
Title I Grants to Local Educational Agencies	84.010	APE429010000	1,324,262
<i>Special Education Cluster (IDEA):</i>			
Special Education-Grants to States	84.027	APE402870000; APE430710000	\$ 753,565
Special Education-Preschool Grants	84.173	APE625210000; APE402860000	48,563
<i>Total Special Education Cluster (IDEA)</i>			802,128
Career and Technical Education-Basic Grants to States	84.048	APE600310000	86,205
Student Support and Academic Enrichment Program	84.424	APE602810000	200,482
<i>Education Stabilization Fund:</i>			
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	APE501950000	216,563
COVID-19 American Rescue Plan-Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	DOE868340000; APE501830000; APE501930000; APE501750000	5,644,696
Total Department of Education			<u>\$ 8,483,325</u>
Total Expenditure of Federal Awards			<u><u>\$ 16,887,518</u></u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF WYTHE, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Note A -- Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Wythe, Virginia under programs of the federal government for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Wythe, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Wythe, 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 Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

(3) The County did not elect the 10% de minimis indirect cost rate because they only request direct costs for reimbursements.

Note C -- Food Donation

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

Note D -- Subrecipients

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

Note E -- Outstanding Balance of Federal Loans

The County has not received any federal funding through loans.

Note F -- Relationship to the Financial Statements

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

Primary government:	
General Fund - Intergovernmental	\$ 15,875,989
Less: Payments in lieu of taxes	(194,670)
Less: Payments from the Commonwealth	(10,251,855)
Component Unit School Board:	
School Operating Fund - Intergovernmental	69,353,417
Less: Payments from local governments	(18,579,706)
Less: Payments from the Commonwealth	(39,315,657)
Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u>\$ 16,887,518</u>

County of Wythe, Virginia

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

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes

Significant deficiency(ies) identified? Yes

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section, 200.516 (a)? No

Identification of major programs:

Assistance Listing #	Name of Federal Program or Cluster
84.425	COVID-19 Education Stabilization Fund
93.659	Adoption Assistance
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

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

Auditee qualified as low-risk auditee? Yes

County of Wythe, Virginia

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

Section II - Financial Statement Findings

2024-001	Material Weakness
Criteria:	Identification of adjustments to the financial statements that were not detected by the entity's internal controls indicates that a material weakness in internal controls may exist.
Condition:	Adjustments were proposed to the County and School Board's financial statements to ensure such statements complied with Generally Accepted Accounting Principles.
Cause:	The County and School Board failed to identify all year end accounting adjustments necessary for the books to be prepared in accordance with current reporting standards; however, we noted significant improvement in the closing process at the County and School Board in the past few years.
Effect:	There is reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected by the entity's internal controls over financial reporting.
Recommendation:	We recommend that the County and School Board review the proposed adjusting entries with their consulting accountant and consider same in future accounting periods. We further recommend that the County continue using a consulting accountant as financial reporting standards have become more complex in recent years.
Management's Response:	The County plans on continuing the use of a consultant to assist in closing the books to improve financial data presented in the annual financial report.
2024-002	Significant Deficiency
Criteria:	A key concept of internal controls is the segregation of duties. No one employee should have access to both accounting records and related assets.
Condition:	A proper segregation of duties has not been established over collections in the Treasurer's Office in that people with the responsibility for recording entries in the books and performing bank reconciliations are also involved in collecting funds from customers.
Cause:	The Treasurer's office has limited staffing and resources.
Effect:	There is reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected by the entity's internal controls over financial reporting.
Recommendation:	The County should review tasks performed by Treasurer's Office personnel and implement changes as necessary to create a proper segregation of duties.
Management's Response:	Management will review controls in relation to current staffing levels and consider implementing compensating controls to address audit concerns.

County of Wythe, Virginia

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

2024-003	Significant Deficiency
Criteria:	Bank reconciliations should be prepared in a timely manner each month and reconciled to the ledger and any discrepancies should be investigated.
Condition:	The operating account reconciliation did not agree with the County's books. Given increases in the volume of credit card and other electronic transactions, the reconciliation process has become challenging and time consuming.
Cause:	The Treasurer's Office has experienced staff turnover.
Effect:	Although the unknown variance is immaterial compared to the financial statements, there is reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected by the entity's internal controls over financial reporting.
Recommendation:	The monthly bank reconciliation should be reviewed in detail and agreed to the ledger prior to the ending of the following month. Any differences between the ledger and the reconciliation should be investigated and adjustments should be made to the ledger or reconciliation as appropriate to ensure that the two balance each month. Additionally, the County should consider allocating additional resources (such as county software (Munis) built in reconciliations) and time to this function.
Management's Response:	Management will review its procedures to ensure that the bank reconciliation is agreed to the ledger monthly and consider allocating more resources to this function.

Section III - Federal Award Findings and Questioned Costs

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

County of Wythe, Virginia

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

2023-001

Condition: Adjustments were proposed to the County's financial statements to ensure such statements complied with Generally Accepted Accounting Principles.

Recommendation: We recommend that the County continue using a consultant to assist in closing the books to ensure the number of adjustments will continue to decrease.

Current Status: Finding 2023-001 is repeated in the current year as finding 2024-001 as a material weakness.

2023-002

Condition: A proper segregation of duties has not been established over collections in the Treasurer's Office in that people with the responsibility for recording entries in the books and performing bank reconciliations are also involved in collecting funds from customers.

Recommendation: The County should review tasks performed by Treasurer's Office personnel and implement changes as necessary to create a proper segregation of duties.

Current Status: Finding 2023-002 is repeated in the current year as finding 2023-002.