

# County of Dickenson, Virginia



## ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025

**COUNTY OF DICKENSON, VIRGINIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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COUNTY OF DICKENSON, VIRGINIA  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2025

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## INTRODUCTORY SECTION

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COUNTY OF DICKENSON, VIRGINIA

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**BOARD OF SUPERVISORS**

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

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

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

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Shelbie Willis, Vice-chair Ramona Duncan	Sam Edwards, Chair	Gary Harless Brad Mullins
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**OTHER OFFICIALS**

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

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## FINANCIAL SECTION

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**Independent Auditors' Report**

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

**Report on the Audit of the Financial Statements**

***Qualified and Unmodified Opinions***

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units - School Board and Public Service Authority (PSA), each major fund, and the aggregate remaining fund information of the County of Dickenson, Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County of Dickenson, Virginia's basic financial statements as listed in the table of contents.

***Qualified Opinion on the Discretely Presented Component Units -Industrial Development Authority (IDA)***

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the discretely presented component units as of June 30, 2025, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

***Basis for Qualified and Unmodified Opinions***

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

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

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

### ***Change in Accounting Principle***

As described in Note 26 to the financial statements, in 2025 the County adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

### ***Restatement of Beginning Balances***

As described in Note 27 to the financial statements, in 2025, the County restated beginning balances to reflect the requirements of GASB Statement No. 101. Additionally, the County restated beginning balances to include Ridgeview High School in the School Activity fund audit report. Our opinions are not modified with respect to these matters.

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

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of County of Dickenson, Virginia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Dickenson, Virginia's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Dickenson, Virginia's basic financial statements. The accompanying other supplementary information and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the effects on the supplementary information of the qualified opinion on the basic financial statements as explained in the "Basis for Qualified and Unmodified Opinions" section, the other supplementary information 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 December 10, 2025, on our consideration of County of Dickenson, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Dickenson, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Dickenson, Virginia's internal control over financial reporting and compliance.

*Robinson, Jarmon, Cox, Associates*

Blacksburg, Virginia  
December 10, 2025

## **Basic Financial Statements**

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

	Component Units		
	Primary Government Governmental Activities	School Board	Public Service Authority
<b>ASSETS</b>			
Cash and investments	\$ 44,104,528	\$ 6,652,202	\$ 5,370,895
Investments	4,938,851	-	-
Receivables (net of allowance for uncollectibles):			
Taxes receivable	8,775,330	-	-
Other local taxes receivable	784,818	-	-
Other receivables	1,458,401	47,223	308,262
Grants receivable	-	-	337,290
Due from primary government	-	-	165,783
Due from other governmental units	2,461,692	1,071,783	-
Prepaid items	202,033	91,038	40,586
Restricted assets:			
Cash and cash equivalents	-	-	715,358
Capital assets not being depreciated/amortized	3,691,677	36,894,098	1,058,127
Capital assets, net of accumulated depreciation/amortization	21,877,794	49,892,590	35,947,247
Total assets	<u>\$ 88,295,124</u>	<u>\$ 94,648,934</u>	<u>\$ 43,943,548</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related items	\$ 2,498,136	\$ 5,232,982	\$ 209,427
OPEB related items	-	1,391,920	-
Total deferred outflows of resources	<u>\$ 2,498,136</u>	<u>\$ 6,624,902</u>	<u>\$ 209,427</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 929,451	\$ 1,068,042	\$ 443,988
Accrued liabilities	140,388	1,368,577	-
Customers' deposits	-	-	385,042
Accrued interest payable	104,876	-	6,987
Unearned revenue	-	699,303	-
Long-term liabilities:			
Due within one year	1,392,909	801,012	505,821
Due in more than one year	16,562,160	28,237,387	5,485,483
Total liabilities	<u>\$ 19,129,784</u>	<u>\$ 32,174,321</u>	<u>\$ 6,827,321</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue - property taxes	\$ 7,670,429	-	-
Pension related items	723,684	2,089,334	114,441
OPEB related items	-	3,840,213	-
Total deferred inflows of resources	<u>\$ 8,394,113</u>	<u>\$ 5,929,547</u>	<u>\$ 114,441</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 13,705,490	\$ 86,388,332	\$ 31,351,462
Restricted			
Coal Road	24,892,686	-	-
School Construction	4,938,851	445,858	-
School Activity Fund	-	646,665	-
Debt service and bond covenants	-	-	330,316
Opioid Settlement	3,607,618	-	-
Unrestricted	16,124,718	(24,310,887)	5,529,435
Total net position	<u>\$ 63,269,363</u>	<u>\$ 63,169,968</u>	<u>\$ 37,211,213</u>

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

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

Functions/Programs	Net (Expense) Revenue and Changes in Net Position						
	Program Revenues			Primary Governmental Activities		Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	School Board	Public Service Authority	
<b>PRIMARY GOVERNMENT:</b>							
Governmental activities:							
General government administration	\$ 3,401,831	\$ 3,179	\$ 434,265	\$ -	\$ (2,964,387)	\$ -	\$ -
Judicial administration	2,451,094	75,614	763,855	-	(1,611,625)	-	-
Public safety	6,687,505	31,165	2,653,329	-	(4,003,011)	-	-
Public works	3,935,989	290,597	14,709	-	(3,630,683)	-	-
Health and welfare	8,404,858	-	7,717,359	-	(687,499)	-	-
Education	5,769,133	-	-	-	(5,769,133)	-	-
Parks, recreation, and cultural	686,500	13,561	-	-	(672,939)	-	-
Community development	1,749,941	-	121,005	679,611	(949,325)	-	-
Interest on long-term debt	194,946	-	-	-	(194,946)	-	-
Total governmental activities	\$ 33,281,797	\$ 414,116	\$ 11,704,522	\$ 679,611	\$ (20,483,548)	\$ -	\$ -
Total primary government	\$ 33,281,797	\$ 414,116	\$ 11,704,522	\$ 679,611	\$ (20,483,548)	\$ -	\$ -
<b>COMPONENT UNITS:</b>							
School Board	\$ 32,828,879	\$ 836,216	\$ 26,496,921	\$ -	\$ -	\$ (5,495,742)	\$ -
Public Service Authority	4,219,203	3,826,649	-	2,596,499	-	-	2,203,945
Total component units	\$ 37,048,082	\$ 4,662,865	\$ 26,496,921	\$ 2,596,499	\$ -	\$ (5,495,742)	\$ 2,203,945
General revenues:							
General property taxes					\$ 8,714,143	\$ -	\$ -
Other local taxes:							
Local sales and use taxes					1,079,728	-	-
Consumers' utility taxes					296,115	-	-
Consumption taxes					54,771	-	-
Vehicle registration withholding stops					22,750	-	-
Bank stock taxes					30,276	-	-
Taxes on recordation and wills					362	-	-
Hotel and motel room taxes					20,980	-	-
Coal severance taxes					7,070,844	-	-
Gas severance taxes					1,365,672	-	-
Moped ATV sales tax					8,516	-	-
Unrestricted revenues from use of money					1,799,444	-	226,406
Miscellaneous					470,541	373,960	242,022
Payments from County of Dickenson					-	5,323,187	-
Grants and contributions not restricted to specific programs					2,290,738	-	-
Total general revenues					\$ 23,224,880	\$ 5,697,147	\$ 468,428
Change in net position					\$ 2,741,332	\$ 201,405	\$ 2,672,373
Net position - beginning, as previously reported					60,547,001	62,642,157	34,562,075
Restatements					(18,970)	326,406	(23,235)
Net position - beginning, as restated					60,528,031	62,968,563	34,538,840
Net position - ending					\$ 63,269,363	\$ 63,169,968	\$ 37,211,213

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

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

	<u>General</u>	<u>Coal Road Tax</u>	<u>School Construction Projects</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and equivalents	\$ 19,314,307	\$ 24,790,221	\$ -	\$ 44,104,528
Investments	-	-	4,938,851	4,938,851
Receivables (net of allowance for uncollectibles):				
Taxes receivable	8,775,330	-	-	8,775,330
Other local taxes receivable	412,281	372,537	-	784,818
Other receivables	1,458,401	-	-	1,458,401
Due from other governmental units	2,461,692	-	-	2,461,692
Prepaid items	202,033	-	-	202,033
Total assets	<u>\$ 32,624,044</u>	<u>\$ 25,162,758</u>	<u>\$ 4,938,851</u>	<u>\$ 62,725,653</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 659,379	\$ 270,072	\$ -	\$ 929,451
Accrued liabilities	140,388	-	-	140,388
Total liabilities	<u>\$ 799,767</u>	<u>\$ 270,072</u>	<u>\$ -</u>	<u>\$ 1,069,839</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	\$ 8,684,546	\$ -	\$ -	\$ 8,684,546
Unavailable revenue - opioid settlement	1,458,401	-	-	1,458,401
Total Deferred Inflows of Resources	<u>\$ 10,142,947</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,142,947</u>
<b>FUND BALANCES</b>				
Nonspendable				
Prepaid items	\$ 202,033	\$ -	\$ -	\$ 202,033
Restricted				
Coal Road	-	24,892,686	-	24,892,686
School Construction	-	-	4,938,851	4,938,851
Opioid Settlement	2,149,217	-	-	2,149,217
Committed				
Debt service	800,000	-	-	800,000
Law Library	38,989	-	-	38,989
Drug Restitution	77,006	-	-	77,006
Unassigned	18,414,085	-	-	18,414,085
Total fund balances	<u>\$ 21,681,330</u>	<u>\$ 24,892,686</u>	<u>\$ 4,938,851</u>	<u>\$ 51,512,867</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 32,624,044</u>	<u>\$ 25,162,758</u>	<u>\$ 4,938,851</u>	<u>\$ 62,725,653</u>

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

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

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	51,512,867
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, not being depreciated/amortized	\$ 3,691,677	
Capital assets, net of accumulated depreciation/amortization	21,877,794	25,569,471
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenues in the funds.		
Unavailable revenue - property taxes	\$ 1,014,117	
Unavailable revenue - opioid settlement	1,458,401	2,472,518
Deferred outflows or resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items		2,498,136
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and note payable	\$ (10,250,000)	
Bond premium	(1,056,736)	
Landfill postclosure liability	(10,250)	
Lease liabilities	(557,245)	
Net pension liability	(5,387,961)	
Compensated absences	(692,877)	
Accrued interest payable	(104,876)	(18,059,945)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items		(723,684)
Net position of governmental activities	\$	63,269,363

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

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

	<u>General</u>	<u>Coal Road Tax</u>	<u>School Construction Projects</u>	<u>Total</u>
<b>REVENUES</b>				
General property taxes	\$ 12,682,109	\$ -	\$ -	\$ 12,682,109
Other local taxes	5,731,756	4,218,258	-	9,950,014
Permits, privilege fees, and regulatory licenses	9,039	-	-	9,039
Fines and forfeitures	42,311	-	-	42,311
Revenue from the use of money and property	1,547,312	4,994	247,138	1,799,444
Charges for services	362,766	-	-	362,766
Miscellaneous	565,530	-	-	565,530
Recovered costs	608,226	1,346,858	-	1,955,084
Intergovernmental	14,674,871	-	400,775	15,075,646
Total revenues	<u>\$ 36,223,920</u>	<u>\$ 5,570,110</u>	<u>\$ 647,913</u>	<u>\$ 42,441,943</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 2,505,685	\$ -	\$ -	\$ 2,505,685
Judicial administration	2,157,868	-	-	2,157,868
Public safety	6,887,207	-	-	6,887,207
Public works	2,930,432	1,283,542	-	4,213,974
Health and welfare	8,428,242	-	-	8,428,242
Education	5,397,981	-	-	5,397,981
Parks, recreation, and cultural	579,350	-	-	579,350
Community development	1,102,600	1,972,371	-	3,074,971
Nondepartmental	803,470	-	-	803,470
Capital projects	55,236	-	-	55,236
Debt service:				
Principal retirement	306,445	-	555,000	861,445
Interest and other fiscal charges	303,974	-	425,000	728,974
Total expenditures	<u>\$ 31,458,490</u>	<u>\$ 3,255,913</u>	<u>\$ 980,000</u>	<u>\$ 35,694,403</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 4,765,430</u>	<u>\$ 2,314,197</u>	<u>\$ (332,087)</u>	<u>\$ 6,747,540</u>
Net change in fund balances	\$ 4,765,430	\$ 2,314,197	\$ (332,087)	\$ 6,747,540
Fund balances - beginning	16,915,900	22,578,489	5,270,938	44,765,327
Fund balances - ending	<u>\$ 21,681,330</u>	<u>\$ 24,892,686</u>	<u>\$ 4,938,851</u>	<u>\$ 51,512,867</u>

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

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

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

Net change in fund balances - total governmental funds	\$	6,747,540
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the detail of items supporting this adjustment:</p>		
Capital outlays	\$ 794,112	
Depreciation and amortization expenses	<u>(1,498,957)</u>	(704,845)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Property taxes	\$ (3,967,966)	
Opioid settlement	<u>(94,989)</u>	(4,062,955)
<p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Principal payments:		
Direct borrowings and placements	\$ 745,000	
Lease liabilities	<u>116,445</u>	861,445
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.</p>		
Changes in compensated absences	\$ (57,504)	
Changes in accrued interest payable	2,394	
Changes in pension related items	(175,381)	
Amortization of bond premium	130,859	
Increase in landfill postclosure care liability	<u>(221)</u>	(99,853)
Change in net position of governmental activities		<u>\$ 2,741,332</u>

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

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	<b>Custodial Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 4,519,708
Receivables:	
Due from other governments	262,176
Total assets	\$ 4,781,884
 <b>NET POSITION</b>	
Restricted:	
Special Welfare	\$ 245,357
Town of Clincho	3,762
Town of Clintwood	40,892
Town of Haysi	9,081
Fringe Benefits	76,608
Dickenson County Behavioral Health Services	4,405,174
EQT Funds	1,010
Total net position	\$ 4,781,884

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

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

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		<u>Custodial Funds</u>
<b>ADDITIONS</b>		
Contributions:		
Expenditure reimbursement	\$	170,104
Tax collections		330,174
Receipts from other governments		516,146
VSRS withholdings		2,057,323
Patient service revenue		8,141,239
Total contributions	\$	<u>11,214,986</u>
Total additions	\$	<u>11,214,986</u>
 <b>DEDUCTIONS:</b>		
Special welfare payments	\$	199,046
DCBHS payments		7,452,065
VSRS payments		2,136,717
Payments of sales tax to other governments		342,160
Total deductions	\$	<u>10,129,988</u>
Net increase (decrease) in fiduciary net position	\$	1,084,998
Net position, beginning		<u>3,696,886</u>
Net position, ending	\$	<u><u>4,781,884</u></u>

COUNTY OF DICKENSON, VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

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

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

A. Financial reporting entity

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

Blended component units - None

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

Dickenson County School Board operates the elementary and secondary public schools in the County. School Board members are popularly elected. The School Board is fiscally dependent upon the County because the County approves all debt issuances of the School Board and provides significant funding to operate the public schools since the School Board does not have separate taxing powers. The School Board is presented as a governmental fund type. The School Board does not issue separate financial statements; therefore all of the School Board's financial information is presented within this financial report.

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

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

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

Jointly Governed Organizations - The County of Dickenson and the Counties of Wise, Lee, Scott, the City of Norton, and the Towns of Wise, Big Stone Gap, Coeburn, and St. Paul participate in supporting the Lonesome Pine Regional Library. The governing body of this organization is appointed by the respective governing bodies of the participating jurisdictions. For the fiscal year ended June 30, 2025, the County contributed \$332,553 to the Library.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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

B. Government-wide and fund financial statements

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

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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

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

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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

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

The County reports the following major governmental funds:

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

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

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

The School Board reports the following major fund types:

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

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

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

Additionally, the government reports the following fund types:

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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

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

1. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. For purposes of the statement of cash flows, the government's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

2. Investments

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

3. Prepaid Items

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

4. Receivables and Payables

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

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

5. Property Taxes

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

6. Allowance for Uncollectible Accounts

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$4,303,585 at June 30, 2025 and is comprised of property taxes.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

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

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

7. Use of Estimates

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

8. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, lease, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the County and Component Unit School Board as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. For infrastructure asset the same estimated minimum useful life is used (in excess of two years), but only those infrastructure projects that cost more than \$50,000 are reported as capital assets.

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

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	40
Machinery and equipment	4-30
Lease asset - building and improvements	5

9. Pensions

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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

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

10. Other Postemployment Benefits (OPEB)

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

11. Deferred Outflows/Inflows of Resources

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

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

12. Compensated Absences

The County recognized a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as a time off or settled (for example paid in cash to the employee) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences - vacation and sick leave.

13. Long-term Obligations

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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

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

13. Long-term Obligations (continued)

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

14. Fund Balance

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

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

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

15. Net Position

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

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

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

16. Leases

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

*Lessee*

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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

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

16. Leases (continued)

*Key Estimates and Judgments*

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

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

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

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

A. Budgetary information

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

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them. The following funds have legally adopted budgets: General Fund, Coal Road Tax Fund, and the School Operating Fund. The School CIP Fund does not adopt a budget or appropriate funds.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the function level. Only the Board of Supervisors can revise the appropriation for each department or category. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and the School Construction Projects Funds. The School Operating Fund is integrated only at the level of legal adoption.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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

A. Budgetary information (continued)

7. Appropriations lapse on June 30, for all County units. The County's practice is to appropriate Capital Projects by Project. Several supplemental appropriations were necessary during this fiscal year.
8. All budgetary data presented in the accompanying financial statements is the revised budget.

B. Excess of expenditures over appropriations:

At June 30, 2025, the Coal Road tax fund had expenditures in excess of appropriations.

**Note 3-Deposits and Investments:**

Deposits

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

Investments

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

Interest Rate Risk

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

Investment Type	Investment Maturities (in years)		
	Fair Value	1 Year	1-5 Years
Local Government Investment Pool	\$ 33,631,169	\$ 33,631,169	\$ -
Treasury Notes	1,623,539	-	1,623,539
Totals	<u>\$ 35,254,708</u>	<u>\$ 33,631,169</u>	<u>\$ 1,623,539</u>

External Investment Pool

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

**Note 3-Deposits and Investments: (continued)**

Custodial Credit Risk

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

Credit Risk of Debt Securities

The County's debt investments consist of the following:

**County's Rated Debt Investments'**

Rated Debt Investments	Fair Quality Ratings		
	S&P Aam	Moody's - Aaa	S&P Aaam
Local Government Investment Pool	\$ 33,631,169	\$ -	\$ -
Money Market Funds	-	-	3,315,312
Treasury Notes	-	1,623,539	-

**Note 4-Fair Value Measurements:**

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

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

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

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

The County has the following recurring fair value measurements as of June 30, 2025:

Investment Type	Balance at June 30, 2025	Fair Value Level 1
Treasury Notes	\$ 1,623,539	\$ 1,623,539
Money Market Funds	3,315,312	3,315,312

COUNTY OF DICKENSON, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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

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

	Primary Government	Component Unit- School Board
<u>Other Local Government Entities:</u>		
Regional Jail	\$ 145,371	\$ -
Bristol Transportation District Regional Improvement Commission	941,860	
<u>Commonwealth of Virginia:</u>		
State sales tax	196,329	449,553
Categorical aid-shared expenses	201,327	-
Categorical aid-Comprehensive Services Act	92,884	-
Categorical aid-Virginia Public Assistance	176,093	-
Categorical aid-other	353,122	-
Noncategorical aid	83,319	-
<u>Federal Government:</u>		
Categorical aid-other	12,698	622,230
Categorical aid-Virginia Public Assistance	258,689	-
	\$ 2,461,692	\$ 1,071,783

**Note 6-Interfund Transfers:**

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

There were no interfund transfers during the year ended June 30, 2025.

**Note 7-Long-term Obligations:**

**Primary Government - Governmental Activities Indebtedness:**

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

	Beginning Balance, as restated	Increases/ Issuances	Decreases/ Retirements	Ending Balance
Direct Borrowings and Placements	\$ 10,995,000	\$ -	\$ (745,000)	\$ 10,250,000
Premium on Issuance	1,187,595	-	(130,859)	1,056,736
Lease Liabilities	673,690	-	(116,445)	557,245
Net Pension Liability	4,631,317	4,483,509	(3,726,865)	5,387,961
Landfill Post Closure Liability	10,029	221	-	10,250
Compensated Absences*	635,373	57,504		692,877
Total	\$ 18,133,004	\$ 4,541,234	\$ (4,719,169)	\$ 17,955,069

\*The change in the compensated absences liability is presented as a net change.

For governmental activities, the net pension liability, net OPEB liabilities, and the landfill closure/post-closure liability are generally liquidated in the general fund.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

**Note 7-Long-term Obligations: (continued)**

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

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

Year Ending June 30,	Direct Borrowings and Placements		Lease Liabilities	
	Principal	Interest	Principal	Interest
2026	\$ 755,000	\$ 700,900	\$ 118,251	\$ 7,749
2027	765,000	690,650	120,085	5,915
2028	780,000	679,775	121,947	4,053
2029	790,000	668,275	123,838	2,162
2030	800,000	656,275	73,124	376
2031-2035	1,995,000	1,167,925	-	-
2036-2040	1,785,000	621,425	-	-
2041-2045	2,150,000	266,587	-	-
2046	430,000	7,462	-	-
<b>Totals</b>	<b>\$ 10,250,000</b>	<b>\$ 5,459,274</b>	<b>\$ 557,245</b>	<b>\$ 20,255</b>

Details of long-term indebtedness:

	Interest Rates	Issue Date	Final Maturity Date	Amount of Original Issue	Balance at June 30	Amount Due Within One Year
<b>Direct Borrowings and Placements:</b>						
QSCB	6.238%	12/01/2011	2031	\$ 10,000,000	\$ 3,330,000	\$ 555,000
VRA 2021 A Refunding Bond <sup>(1)(2)</sup>	2.25-4.596%	05/26/2021	2046	7,650,000	6,920,000	200,000
Premium on VRA 2021 Refunding Bond	n/a	n/a	n/a	n/a	1,056,736	-
<b>Total Direct Borrowings and Placements</b>					<b>\$ 11,306,736</b>	<b>\$ 755,000</b>
<b>Lease Liabilities:</b>						
DSS building with IDA	1.540%	02/01/2020	2030	\$ 1,167,082	\$ 557,245	\$ 118,251
<b>Other Obligations:</b>						
Net Pension Liability	n/a	n/a	n/a	n/a	\$ 5,387,961	\$ -
Landfill Postclosure Liability	n/a	n/a	n/a	n/a	10,250	-
Compensated Absences	n/a	n/a	n/a	n/a	692,877	519,658
<b>Total Other Obligations</b>					<b>\$ 6,091,088</b>	<b>\$ 519,658</b>
<b>Total Long-term Obligations</b>					<b>\$ 17,955,069</b>	<b>\$ 1,392,909</b>

- (1) In the event of default, the lender(s) may declare the entire unpaid principal and interest balances on the revenue bonds as due and payable.  
 (2) Unassigned general fund balance shall increase to no less than two months of regular operating revenues or expenditures. The judicial center is collateral on the issuance.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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

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

	Beginning Balance, as restated	Increase	Decrease	Ending Balance	Amount Due Within One Year
Net pension liability	\$ 18,684,658	\$ 6,251,408	\$ (6,981,162)	\$ 17,954,904	\$ -
Net OPEB liabilities	10,887,244	1,169,309	(2,041,074)	10,015,479	-
Compensated absences*	1,123,608		(55,592)	1,068,016	801,012
Total	<u>\$ 30,695,510</u>	<u>\$ 7,420,717</u>	<u>\$ (9,077,828)</u>	<u>\$ 29,038,399</u>	<u>\$ 801,012</u>

\*The change in the compensated absences liability is presented as a net change.

The net pension liability and net OPEB liabilities of the Component Unit - School Board are liquidated by the School Operating Fund.

**Note 9-Pension Plans:**

**Plan Description**

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

**Benefit Structures**

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

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

**Note 9-Pension Plans: (continued)**

***Benefit Structures (continued)***

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025**Note 9-Pension Plans: (continued)****Contributions**

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

The County's contractually required employer contribution rate for the year ended June 30, 2025 was 12.74% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$990,370 and \$884,519 for the years ended June 30, 2025 and June 30, 2024, respectively.

The Component Unit Public Service Authority's contractually required employer contribution rate for the year ended June 30, 2025 was 12.74% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit Public Service Authority were \$72,457 and \$83,182 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$66,273 and \$1,732 for the County and Component Unit Public Service Authority, respectively, for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$64,129 and \$190 for the County and Component Unit Public Service Authority, respectively, for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$6,627,285 and \$173,205 for the County and Component Unit Public Service Authority, respectively, for the year ended June 30, 2025.

**Net Pension Liability**

At June 30, 2025, the County and Component Unit Public Service Authority reported a liability of \$5,387,961 and \$489,853, respectively, for its proportionate share of the net pension liability. The County's and Component Unit Public Service Authority's net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. In order to allocate the net pension liability to all employers included in the plan, the County and Component Unit Public Service Authority are required to determine its proportionate share of the net pension liability. Creditable compensation as of June 30, 2024 and 2023 was used as a basis for allocation to determine the County and Component Unit Public Service Authority's proportionate share of the net pension liability. At June 30, 2024 and 2023, the County's proportion was 68.4375% and 68.5939%, respectively. At June 30, 2024 and 2023, the Component Unit Public Service Authority's proportion was 6.2221% and 6.5499%, respectively.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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**Note 9-Pension Plans: (continued)**

**Actuarial Assumptions - General Employees**

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

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

**Mortality rates:**

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

**Beneficiaries and Survivors:**

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

**Mortality Improvement:**

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

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

**Note 9-Pension Plans: (continued)**

**Actuarial Assumptions - General Employees (continued)**

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 Dickenson County's Retirement Plan was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

**Note 9-Pension Plans: (continued)**

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

Mortality rates: (continued)

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

All Others (Non-10 Largest) - 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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COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

**Note 9-Pension Plans: (continued)**

**Long-Term Expected Rate of Return**

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

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

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

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

COUNTY OF DICKENSON, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

**Note 9-Pension Plans: (continued)**

**Discount Rate**

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Proportionate share of the County Retirement Plan:			
County	\$ 9,694,693	\$ 5,387,961	\$ 1,863,769
Component Unit Public Service Authority	\$ 881,408	\$ 489,853	\$ 169,447

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

For the year ended June 30, 2025, the County and Component Unit Public Service Authority recognized pension expense of \$1,151,453 and \$81,152, respectively. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

**Note 9-Pension Plans: (continued)**

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

At June 30, 2025, the County and Component Unit Public Service Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit Public Service Authority	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,482,301	\$ -	\$ 136,970	\$ -
Net difference between projected and actual earnings on pension plan investments	-	723,684	-	75,966
Change in proportionate share	25,465	-	-	38,475
Employer contributions subsequent to the measurement date	990,370	-	72,457	-
<b>Total</b>	<b>\$ 2,498,136</b>	<b>\$ 723,684</b>	<b>\$ 209,427</b>	<b>\$ 114,441</b>

\$990,370 and \$72,457 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit Public Service Authority's contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit Public Service Authority
2026	\$ 186,087	\$ (16,489)
2027	804,591	63,036
2028	(52,104)	(9,971)
2029	(154,492)	(14,047)

***Pension Plan Data***

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

**Note 9-Pension Plans: (continued)**

**Component Unit School Board (Nonprofessional)**

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

***Employees Covered by Benefit Terms***

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

	<b>Component Unit School Board Nonprofessional</b>
Inactive members or their beneficiaries currently receiving benefits	132
Inactive members:	
Vested inactive members	10
Non-vested inactive members	26
Inactive members active elsewhere in VRS	10
Total inactive members	46
Active members	61
Total covered employees	239

***Contributions***

The Component Unit School Board’s contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2025 was 64.38% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board’s nonprofessional employees were \$1,012,729 and \$640,278 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$8,393 for the School Board for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$7,156 for the School Board for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$839,254 for the School Board for the year ended June 30, 2025.

***Net Pension Liability***

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer’s total pension liability determined in accordance with GASB Statement No. 68, less that employer’s fiduciary net position. The Component Unit School Board’s (nonprofessional) net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023, rolled forward to the measurement date of June 30, 2024.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

**Note 9-Pension Plans: (continued)**

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

**Changes in Net Pension Liability**

	Component School Board (Nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 12,912,252	\$ 5,957,005	\$ 6,955,247
Changes for the year:			
Service cost	\$ 123,778	\$ -	\$ 123,778
Interest	843,024	-	843,024
Differences between expected and actual experience	492,459	-	492,459
Contributions - employer	-	640,278	(640,278)
Contributions - employee	-	68,601	(68,601)
Net investment income	-	557,978	(557,978)
Benefit payments, including refunds	(1,093,581)	(1,093,581)	-
Administrative expenses	-	(3,939)	3,939
Other changes	-	109	(109)
Net changes	\$ 365,680	\$ 169,446	\$ 196,234
Balances at June 30, 2024	\$ 13,277,932	\$ 6,126,451	\$ 7,151,481

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

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

	Rate		
	(5.75%)	(6.75%)	(7.75%)
Component Unit School Board (Nonprofessional) Net Pension Liability	\$ 8,395,685	\$ 7,151,481	\$ 6,091,925

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

**Note 9-Pension Plans: (continued)**

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

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

For the year ended June 30, 2025, the Component Unit School Board (nonprofessional) recognized pension expense of \$759,952. At June 30, 2025, the Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Component Unit School Board (Nonprofessional)</b>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 209,437	\$ -
Net difference between projected and actual earnings on pension plan investments	-	167,192
Employer contributions subsequent to the measurement date	1,012,729	-
Total	<u>\$ 1,222,166</u>	<u>\$ 167,192</u>

\$1,012,729 reported as deferred outflows of resources related to pensions resulting from the Component Unit School Board's (nonprofessional) contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<b>Component Unit School Board (Nonprofessional)</b>
2026	\$ 51,451
2027	54,172
2028	(29,581)
2029	(33,797)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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**Note 9-Pension Plans: (continued)****Component Unit School Board (Professional)****Plan Description**

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

**Contributions**

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2025 was 14.21% of covered employee compensation. This was the General Assembly approved rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board were \$1,760,359 and \$1,941,344 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$35,060 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$37,836 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$3,506,029 for the year ended June 30, 2025.

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

At June 30, 2025, the school division reported a liability of \$10,803,423 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2024 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division's proportion was 0.11509% as compared to 0.11605% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized pension expense of \$1,016,057. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

**Note 9-Pension Plans: (continued)**

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

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

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

	<b>Component Unit School Board (Professional)</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,874,242	\$ 222,450
Change in assumptions	196,097	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	180,118	212,594
Net difference between projected and actual earnings on pension plan investments	-	1,487,098
Employer contributions subsequent to the measurement date	1,760,359	-
Total	\$ 4,010,816	\$ 1,922,142

\$1,760,359 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<b>Year ended June 30</b>	<b>Component Unit School Board (Professional)</b>
2026	\$ (726,327)
2027	970,968
2028	229,392
2028	(145,718)

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

**Note 9-Pension Plans: (continued)**

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

***Actuarial Assumptions***

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

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

**Mortality rates:**

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

**Beneficiaries and Survivors:**

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

**Mortality Improvement:**

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

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

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

**Note 9-Pension Plans: (continued)**

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

**Net Pension Liability**

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2024, 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	\$ 60,622,260
Plan Fiduciary Net Position	51,235,326
Employers' Net Pension Liability (Asset)	<u>\$ 9,386,934</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 84.52%

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

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

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

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

	<u>Rate</u>		
	<u>1% Decrease (5.75%)</u>	<u>Current Discount (6.75%)</u>	<u>1% Increase (7.75%)</u>
Dickenson County School Board's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	<u>\$ 20,070,642</u>	<u>\$ 10,803,423</u>	<u>\$ 3,213,865</u>

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

**Note 9-Pension Plans: (continued)**

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

***Pension Plan Fiduciary Net Position***

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

***Aggregate Pension Information***

	Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:				
School Board Nonprofessional	\$ 1,222,166	\$ 167,192	\$ 7,151,481	\$ 759,952
School Board Professional	4,010,816	1,922,142	10,803,423	1,016,057
Totals	<u>\$ 5,232,982</u>	<u>\$ 2,089,334</u>	<u>\$ 17,954,904</u>	<u>\$ 1,776,009</u>

**Note 10-Other Postemployment Benefits-Health Insurance:**

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

***Benefits Provided***

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

***Plan Membership***

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

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

COUNTY OF DICKENSON, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

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

**Contributions**

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the School Board. The amount paid by the School Board for OPEB as the benefits came due during the year ended June 30, 2025 was \$582,296.

**Total OPEB Liability**

The School Boards total OPEB liability was measured as of June 30, 2025. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2023 and rolled forward to June 30, 2025.

**Actuarial Assumptions**

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

Component Unit-School Board:

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	5.20%
Mortality Rates:	
Pre-Retirement	Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males. Base rates are shown below. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. 5% of deaths are assumed to be service-related.
Post-Retirement	Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females. Base rates are shown below. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.
Post-Disablement	Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females. Base rates are shown below. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

**Discount Rate**

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

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COUNTY OF DICKENSON, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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

**Changes in Total OPEB Liability**

		<b>Component Unit - School Board Total OPEB Liability</b>
Balances at June 30, 2024	\$	8,684,385
Changes for the year:		
Service cost		306,020
Interest		341,991
Changes in assumptions		(790,755)
Benefit payments		(582,296)
Net changes		(725,040)
Balances at June 30, 2025	\$	7,959,345

**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 (4.20%) or one percentage point higher (6.20%) than the current discount rate:

<b>Rate</b>		
<b>1% Decrease (4.20%)</b>	<b>Current Discount Rate (5.20%)</b>	<b>1% Increase (6.20%)</b>
\$ 8,576,743	\$ 7,959,345	\$ 7,383,219

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

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

<b>Rates</b>		
<b>1% Decrease</b>	<b>Healthcare Cost Trend</b>	<b>1% Increase</b>
\$ 7,066,157	\$ 7,959,345	\$ 8,996,198

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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

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

For the year ended June 30, 2025, the School Board recognized OPEB expense in the amount of \$43,043. At June 30, 2025, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 635,637	\$ 2,138,849
Changes of assumptions	333,576	1,390,036
Total	<u>\$ 969,213</u>	<u>\$ 3,528,885</u>

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

<u>Year Ending June 30</u>	
2026	\$ (630,354)
2027	(735,003)
2028	(862,048)
2029	(332,267)

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

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

***Plan Description***

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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

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

**Benefit Amounts**

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

**Contributions**

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

Contributions to the Group Life Insurance Plan from the Component Unit-School Board (Non-professional) were \$7,393 and \$8,251 for the years ended June 30, 2025 and June 30, 2024, respectively.

Contributions to the Group Life Insurance Plan from the Component Unit-School Board (Professional) were \$58,224 and \$65,359 for the years ended June 30, 2025 and June 30, 2024, respectively.

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

At June 30, 2025, the Component Unit-School Board (Nonprofessional) reported a liability of \$66,397 for its proportionate share of the Net GLI OPEB Liability.

At June 30, 2025, the Component Unit-School Board (Professional) reported a liability of \$526,046 for its proportionate share of the Net GLI OPEB Liability.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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

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

The Net GLI OPEB Liability was measured as of June 30, 2024 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers.

At June 30, 2024, Component Unit-School Board (Nonprofessional)'s proportion was 0.00595% as compared to 0.00613% at June 30, 2023.

At June 30, 2024, the Component Unit-School Board (Professional)'s proportion was 0.04714% as compared to 0.04831% at June 30, 2023.

For the year ended June 30, 2025, the Component Unit-School Board (Nonprofessional) recognized GLI OPEB expense of (\$419). Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

For the year ended June 30, 2025, the Component Unit-School Board (Professional) recognized GLI OPEB expense of \$3,407. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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

	Component Unit School Board			
	Nonprofessional		Professional	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,472	\$ 1,622	\$ 82,969	\$ 12,850
Net difference between projected and actual earnings on GLI OPEB plan investments	-	5,597	-	44,340
Change in assumptions	378	3,291	2,998	26,070
Changes in proportionate share	42	6,101	7,376	21,652
Employer contributions subsequent to the measurement date	7,393	-	58,224	-
Total	<u>\$ 18,285</u>	<u>\$ 16,611</u>	<u>\$ 151,567</u>	<u>\$ 104,912</u>

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

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

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

\$7,393 and \$58,224 reported as deferred outflows of resources related to the GLI OPEB resulting from the Component Unit-School Board (nonprofessional) and Component Unit-School Board (professional)'s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	Component Unit-School Board (Nonprofessional)	Component Unit-School Board (Professional)
2026	\$ (5,047)	\$ (27,567)
2027	(910)	5,414
2028	(770)	474
2029	302	4,057
2030	706	6,053

***Actuarial Assumptions***

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

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

**Mortality Rates - Teachers**

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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

**Actuarial Assumptions: (continued)**

**Mortality Rates - Teachers: (continued)**

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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

**Actuarial Assumptions: (continued)**

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

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

**NET GLI OPEB Liability**

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

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

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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

**Long-Term Expected Rate of Return**

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

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

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

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

COUNTY OF DICKENSON, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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

**Discount Rate**

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Proportionate share of the GLI Plan Net OPEB Liability:			
Component Unit-School Board (Nonprofessional)	\$ 103,257	\$ 66,397	\$ 36,620
Component Unit-School Board (Professional)	\$ 818,069	\$ 526,046	\$ 290,129

**GLI Plan Fiduciary Net Position**

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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

***Plan Description***

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

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

***Eligible Employees***

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

***Benefit Amounts***

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

***HIC Plan Notes***

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

***Contributions***

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2025 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$149,897 and \$146,396 for the years ended June 30, 2025 and June 30, 2024, respectively.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

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

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

At June 30, 2025, the school division reported a liability of \$1,305,073 for its proportionate share of the VRS Teacher Employee HIC Plan Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2024 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division's proportion of the VRS Teacher Employee HIC was 0.11293% as compared to 0.11407% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized VRS Teacher Employee Health Insurance Credit Plan OPEB expense of \$66,169. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

At June 30, 2025, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 61,831
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	4,642
Change in assumptions	22,483	-
Changes in proportionate share and differences between actual and expected contributions	33,737	54,482
Employer contributions subsequent to the measurement date	149,897	-
Total	<u>\$ 206,117</u>	<u>\$ 120,955</u>

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

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

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

\$149,897 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2026	\$ (22,775)
2027	(11,210)
2028	(13,697)
2029	(9,068)
2030	(4,024)
Thereafter	(3,961)

***Actuarial Assumptions***

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

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

**Mortality Rates - Teachers**

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

**Beneficiaries and Survivors:**

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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

*Actuarial Assumptions: (continued)*

**Mortality Rates - Teachers: (continued)**

Mortality Improvement Scale:

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

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

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

**Net Teacher Employee HIC OPEB Liability**

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

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

**Net Teacher Employee HIC OPEB Liability: (continued)**

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

**Long-Term Expected Rate of Return**

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

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

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

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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

**Discount Rate**

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 1,484,194	\$ 1,305,073	\$ 1,153,252

**Teacher Employee HIC OPEB Fiduciary Net Position**

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

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

***Plan Description***

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

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

***Eligible Employees***

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

***Benefit Amounts***

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

***HIC Plan Notes***

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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

**Employees Covered by Benefit Terms**

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>41</u>
Inactive members:	
Vested inactive members	3
Inactive members active elsewhere in VRS	8
Total inactive members	<u>11</u>
Active members	<u>61</u>
Total covered employees	<u><u>113</u></u>

**Contributions**

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The Component Unit School Board’s contractually required employer contribution rate for the year ended June 30, 2025 was 2.29% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Component Unit School Board to the HIC Plan were \$36,023 and \$34,991 for the years ended June 30, 2025 and June 30, 2024, respectively.

**Net HIC OPEB Liability**

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

**Actuarial Assumptions**

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

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

*Actuarial Assumptions (Continued)*

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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

**Long-Term Expected Rate of Return**

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

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

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

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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

**Discount Rate**

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

**Changes in Net HIC OPEB Liability**

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 212,110	\$ 44,021	\$ 168,089
Changes for the year:			
Service cost	\$ 1,654	\$ -	\$ 1,654
Interest	13,672	-	13,672
Differences between expected and actual experience	14,836	-	14,836
Contributions - employer	-	34,991	(34,991)
Net investment income	-	4,712	(4,712)
Benefit payments	(22,436)	(22,436)	-
Administrative expenses	-	(70)	70
Net changes	\$ 7,726	\$ 17,197	\$ (9,471)
Balances at June 30, 2024	\$ 219,836	\$ 61,218	\$ 158,618

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Component Unit School Board Net HIC OPEB Liability	\$ 177,265	\$ 158,618	\$ 142,454

COUNTY OF DICKENSON, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2025

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

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

For the year ended June 30, 2025, the Component Unit School Board recognized HIC Plan OPEB expense of \$(24,582). At June 30, 2025, the Component Unit School Board reported deferred outflows of resources and deferred inflows of resources related to the Component Unit School Board’s HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,715	\$ 68,208
Net difference between projected and actual earnings on HIC OPEB plan investments	-	642
Employer contributions subsequent to the measurement date	36,023	-
Total	\$ 46,738	\$ 68,850

\$36,023 reported as deferred outflows of resources related to the HIC OPEB resulting from the Component Unit School Board’s contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ended June 30	
2026	\$ (37,507)
2027	(22,594)
2028	2,230
2029	(264)

***HIC Plan Data***

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

**Note 14-Aggregate OPEB Information:**

	Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:				
Group Life Insurance Plan:				
School Board Nonprofessional	\$ 18,285	\$ 16,611	\$ 66,397	\$ (419)
School Board Professional	151,567	104,912	526,046	3,407
Health Insurance Credit Plan:				
School Board Health Insurance Credit Plan	46,738	68,850	158,618	(24,582)
Teacher Health Insurance Credit Plan	206,117	120,955	1,305,073	66,169
School Stand-Alone Plan	969,213	3,528,885	7,959,345	43,043
Totals	<u>\$ 1,391,920</u>	<u>\$ 3,840,213</u>	<u>\$ 10,015,479</u>	<u>\$ 87,618</u>

**Note 15-Capital Assets:**

Capital asset activity for the year ended June 30, 2025 was as follows:

Primary Government:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 3,189,216	\$ -	\$ -	\$ 3,189,216
Construction in progress	333,162	241,987	(72,688)	502,461
Total capital assets, not being depreciated	<u>\$ 3,522,378</u>	<u>\$ 241,987</u>	<u>\$ (72,688)</u>	<u>\$ 3,691,677</u>
Capital assets, being depreciated				
Buildings and improvements	\$ 33,214,612	\$ -	\$ -	\$ 33,214,612
Machinery and equipment	6,741,122	624,813	-	7,365,935
Right-to-use lease buildings and improvements	1,012,462	-	-	1,012,462
Total capital assets, being depreciated	<u>\$ 40,968,196</u>	<u>\$ 624,813</u>	<u>\$ -</u>	<u>\$ 41,593,009</u>
Accumulated depreciation:				
Buildings and improvements	\$ (12,463,310)	\$ (889,475)	\$ -	\$ (13,352,785)
Machinery and equipment	(5,399,216)	(491,678)	-	(5,890,894)
Right-to-use lease buildings and improvements	(353,732)	(117,804)	-	(471,536)
Total accumulated depreciation	<u>\$ (18,216,258)</u>	<u>\$ (1,498,957)</u>	<u>\$ -</u>	<u>\$ (19,715,215)</u>
Total capital assets being depreciated/amortized, net	<u>\$ 22,751,938</u>	<u>\$ (874,144)</u>	<u>\$ -</u>	<u>\$ 21,877,794</u>
Governmental activities capital assets, net	<u>\$ 26,274,316</u>	<u>\$ (632,157)</u>	<u>\$ (72,688)</u>	<u>\$ 25,569,471</u>

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

**Note 15-Capital Assets: (continued)**

Capital asset activity for the School Board for the year ended June 30, 2025 was as follows:

Discretely Presented Component Unit School Board:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 2,594,378	\$ -	\$ -	\$ 2,594,378
Construction in progress	32,901,182	1,398,538	-	34,299,720
Total capital assets, not being depreciated	<u>\$ 35,495,560</u>	<u>\$ 1,398,538</u>	<u>\$ -</u>	<u>\$ 36,894,098</u>
Capital assets, being depreciated				
Buildings and improvements	\$ 62,833,716	\$ -	\$ -	\$ 62,833,716
Machinery and equipment	9,376,896	506,255	-	9,883,151
Total capital assets, being depreciated	<u>\$ 72,210,612</u>	<u>\$ 506,255</u>	<u>\$ -</u>	<u>\$ 72,716,867</u>
Accumulated depreciation:				
Buildings and improvements	\$ (13,971,853)	\$ (1,502,105)	\$ -	\$ (15,473,958)
Machinery and equipment	(6,741,865)	(608,454)	-	(7,350,319)
Total accumulated depreciation	<u>\$ (20,713,718)</u>	<u>\$ (2,110,559)</u>	<u>\$ -</u>	<u>\$ (22,824,277)</u>
Total capital assets being depreciated, net	<u>\$ 51,496,894</u>	<u>\$ (1,604,304)</u>	<u>\$ -</u>	<u>\$ 49,892,590</u>
Governmental activities capital assets, net	<u>\$ 86,992,454</u>	<u>\$ (205,766)</u>	<u>\$ -</u>	<u>\$ 86,786,688</u>

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

Primary Government	
Governmental activities:	
General government administration	\$ 160,613
Judicial administration	265,451
Public safety	229,915
Public works	251,340
Health and welfare	117,804
Education	371,152
Parks, recreation, and cultural	99,560
Community Development	3,122
Total depreciation expense-governmental activities	<u>\$ 1,498,957</u>

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

**Note 16-Risk Management:**

The County and its component unit - School Board are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The County and its component unit - School Board participate with other localities in a public entity risk pool for their coverage of general liability and auto insurance with the Virginia Municipal Liability Pool. Each member of each of this risk pool jointly and severally agrees to assume, pay and discharge any liability. The County and its component unit - School Board pay the Virginia Municipal Group contributions and assessments based upon classification and rates into a designated cash reserve fund out of which expenses of the pool, claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the pool may assess all members in the proportion in which the premium of each bears to the total premiums of all members in the year in which such deficit occurs. The County and its component unit - School Board continue to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**Note 17-Contingent Liabilities:**

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

**Note 18-Surety Bonds:**

Primary Government:

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

Component Unit - School Board:

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

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

**Note 19-Landfill Post Closure Care Cost:**

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site after closure. The landfill has stopped accepting waste and \$10,250 is the total estimated post closure care liability at June 30, 2025. The liability represents what it cost to perform all post closure care in 2025. Actual costs post closure monitoring may change due to inflation, deflation, changes in technology or changes in regulations. The County uses the Commonwealth of Virginia’s financial assurance mechanism to meet the Department of Environmental Quality’s assurance requirements for landfill post closure costs.

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

**Note 20-Deferred/Unavailable Revenue:**

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

	Government-wide Statements Governmental Activities	Balance Sheet Governmental Funds
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 1,014,117
2nd half assessments due in December 2024	6,988,403	6,988,403
Prepaid property taxes due in December 2024 but paid in advance by taxpayers	682,026	682,026
Subtotal unavailable revenue - property taxes	\$ <u>7,670,429</u>	\$ <u>8,684,546</u>
Long-term portion of opioid settlement receivable that is not available for funding of current expenditures	-	1,458,401
	\$ <u><u>7,670,429</u></u>	\$ <u><u>10,142,947</u></u>

At June 30, 2025, the School Board reported \$699,303 in unearned grant revenue.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

**Note 21-Litigation:**

As of June 30, 2025, a claim had been filed against the County in regard to erroneous assessment of taxes. As of January 1, 2026, the claim was settled. The County abated \$3,603,525 in taxes for years 2020 through 2023 and \$706,825 for 2<sup>nd</sup> half of 2025 real estate. Additionally, \$500,000 is due back to the taxpayer related to 2024 taxes. The amount will be issued as an abatement of \$166,667 each for tax years 2026, 2027, and 2028. The abatements related to years 2020-2023 have been reflected in the allowance for doubtful accounts. The abatement for 2025 is reflected in the receivable and deferred inflow of resources. No amounts have been recognized for abatements of future tax years.

**Note 22-Concentration Risk:**

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

**Note 23-Self Health Insurance:**

The County and School Board of Dickenson, Virginia established a limited risk management program for health insurance. Premiums are paid into the health plan fund from the County and School Board and are available to pay claims, and administrative costs of the program. During the fiscal year 2025, the County and the School board has a total of \$1,878,151 and \$6,049,411 that was paid in benefits and administrative costs, respectively. The risk assumed by the County and the School Board is based on the number of participants in the program. The risk varies by the number of participants and their specific plan type (Keycare, Bluecare, etc.). The County and the School Board have incurred but not reported claims of \$248,606 and \$590,222 that have been accrued as a liability based primarily on actual cost incurred prior to June 30, but paid after year-end, respectively. Interfund premiums are based primarily upon the insured funds' claims experience and are reported as quasi-external interfund transactions. Changes in the claims liability during fiscal year 2025 and the two prior fiscal years were as follows:

**County:**

Fiscal Year	Balance at Beginning of Fiscal Year	Claims and Changes in Estimates	Claim Payments	Balance at End of Fiscal Year
2024-25	\$ 143,090	\$ 1,983,667	\$ (1,878,151)	\$ 248,606
2023-24	113,101	1,690,830	(1,660,841)	143,090

**School Board:**

Fiscal Year	Balance at Beginning of Fiscal Year	Claims and Changes in Estimates	Claim Payments	Balance at End of Fiscal Year
2024-25	\$ 629,365	\$ 6,010,268	\$ (6,049,411)	\$ 590,222
2023-24	766,096	5,562,659	(5,699,390)	629,365

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

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

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

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

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The County's LODA coverage is fully covered or "insured" through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The County's LODA premium for the year ended June 30, 2025 was \$35,495.

**Note 25-Commitments and Contingencies:**

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

Project	Contract Amount	Contract Amount	
		Outstanding at June 30,	
Ridgeview Elementary School Classroom Addition	\$ 4,856,065	\$	612,307
Ridgeview Elementary School Classroom Addition	19,204,761		175,000

**Note 26-Adoption of Accounting Principle:**

The County implemented provisions of the Governmental Accounting Standards Board Statement (GASBS) No. 101, *Compensated Absences*. The objective of Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2025

**Note 27 - Restatement of Beginning Balances:**

Beginning net position for the County was restated as part of implementation of GASBS No. 101.

Beginning net position and fund balance for the Component Unit School Board were restated due to the addition of Ridgeview High School Activity Fund to the School Activity Fund financial statements as well as implementation of GASBS No. 101.

	Fund Balance	Net Position	
	School Activity Fund	Governmental Activities	School Board
Beginning balance, as previously stated	\$ 142,101	\$ 60,547,001	\$ 62,642,157
Increase in compensated absences	-	(18,970)	(142,751)
Ridgeview High School previously excluded	469,157	-	469,157
Beginning balance, as restated	\$ 611,258	\$ 60,528,031	\$ 62,968,563

**Note 28 - Upcoming Pronouncements:**

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

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

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

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

## **Required Supplementary Information**

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
General property taxes	\$ 12,872,500	\$ 12,872,500	\$ 12,682,109	\$ (190,391)
Other local taxes	4,336,000	4,336,000	5,731,756	1,395,756
Permits, privilege fees, and regulatory licenses	10,500	10,500	9,039	(1,461)
Fines and forfeitures	44,200	44,200	42,311	(1,889)
Revenue from the use of money and property	626,750	626,750	1,547,312	920,562
Charges for services	388,682	388,682	362,766	(25,916)
Miscellaneous	183,900	183,900	565,530	381,630
Recovered costs	571,543	571,543	608,226	36,683
Intergovernmental:				
Commonwealth	7,680,225	7,680,225	10,305,293	2,625,068
Federal	5,299,433	5,299,433	4,369,578	(929,855)
Total revenues	\$ 32,013,733	\$ 32,013,733	\$ 36,223,920	\$ 4,210,187
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 2,484,897	\$ 2,484,897	\$ 2,505,685	\$ (20,788)
Judicial administration	2,100,993	2,100,993	2,157,868	(56,875)
Public safety	6,908,693	6,908,693	6,887,207	21,486
Public works	2,909,329	2,909,329	2,930,432	(21,103)
Health and welfare	8,616,203	8,616,203	8,428,242	187,961
Education	5,397,981	5,397,981	5,397,981	-
Parks, recreation, and cultural	543,784	543,784	579,350	(35,566)
Community development	2,019,790	2,019,790	1,102,600	917,190
Nondepartmental	376,063	376,063	803,470	(427,407)
Capital projects	50,000	50,000	55,236	(5,236)
Debt service:				
Principal retirement	306,445	306,445	306,445	-
Interest and other fiscal charges	299,555	299,555	303,974	(4,419)
Total expenditures	\$ 32,013,733	\$ 32,013,733	\$ 31,458,490	\$ 555,243
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 4,765,430	\$ 4,765,430
Net change in fund balances	\$ -	\$ -	\$ 4,765,430	\$ 4,765,430
Fund balances - beginning	-	-	16,915,900	16,915,900
Fund balances - ending	\$ -	\$ -	\$ 21,681,330	\$ 21,681,330

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Other local taxes	\$ 2,850,000	\$ 2,850,000	\$ 4,218,258	\$ 1,368,258
Revenue from the use of money and property	500	500	4,994	4,494
Recovered Cost	-	-	1,346,858	1,346,858
Total revenues	<u>\$ 2,850,500</u>	<u>\$ 2,850,500</u>	<u>\$ 5,570,110</u>	<u>\$ 2,719,610</u>
<b>EXPENDITURES</b>				
Current:				
Public works	\$ 1,603,625	\$ 1,603,625	\$ 1,283,542	\$ 320,083
Community development	1,246,875	1,246,875	1,972,371	(725,496)
Total expenditures	<u>\$ 2,850,500</u>	<u>\$ 2,850,500</u>	<u>\$ 3,255,913</u>	<u>\$ (405,413)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,314,197</u>	<u>\$ 2,314,197</u>
Net change in fund balances	\$ -	\$ -	\$ 2,314,197	\$ 2,314,197
Fund balances - beginning, as restated	-	-	22,578,489	22,578,489
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,892,686</u>	<u>\$ 24,892,686</u>

County of Dickenson, Virginia  
 Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)  
 Pension Plans  
 For the Measurement Dates of June 30, 2015 through June 30, 2024

Date (1)	Employer's Proportion of the Net Pension Liability (Asset) (NPLA) (2)	Employer's Proportionate Share of the NPLA (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the NPLA as a Percentage of Covered Payroll (3)/(4) (5)	Employer's Pension Plan's Fiduciary Net Position as a Percentage of Total Pension Liability (Asset) (6)
<b>Primary Government - Dickenson County Retirement Plan</b>					
2024	68.4375%	\$ 5,387,961	\$ 7,212,458	74.70%	83.88%
2023	68.5939%	4,631,317	6,397,305	72.39%	84.91%
2022	67.6071%	4,079,927	5,807,230	70.26%	85.81%
2021	67.1057%	1,932,571	5,405,725	35.75%	92.87%
2020	67.9755%	6,173,959	5,344,568	115.52%	76.74%
2019	68.9258%	4,451,376	4,960,386	89.74%	82.38%
2018	69.4945%	3,185,675	4,931,102	64.60%	86.44%
2017	69.4945%	3,236,229	4,853,848	66.67%	85.64%
2016	71.5412%	4,204,689	4,961,118	84.75%	81.06%
2015	73.0764%	3,452,312	4,900,886	70.44%	84.15%
<b>Component Unit Public Service Authority</b>					
2024	6.2221%	\$ 489,853	\$ 693,146	70.67%	83.88%
2023	6.5499%	442,237	610,868	72.39%	84.91%
2022	7.1281%	430,163	612,280	70.26%	85.81%
2021	7.7432%	222,996	623,756	35.75%	92.87%
2020	7.6243%	692,487	599,457	115.52%	76.74%
2019	8.0193%	517,904	577,125	89.74%	82.38%
2018	7.9871%	366,134	566,738	64.60%	86.44%
2017	7.9871%	371,945	567,935	65.49%	85.64%
2016	8.4128%	494,447	565,268	87.47%	81.06%
2015	8.3263%	393,355	558,405	70.44%	84.15%
<b>Component Unit School Board (professional)</b>					
2024	0.11509%	\$ 10,803,423	\$ 12,098,845	89.29%	84.52%
2023	0.11605%	11,729,411	11,374,262	103.12%	82.45%
2022	0.11400%	10,850,626	10,439,514	103.94%	82.61%
2021	0.11315%	8,783,945	9,841,093	89.26%	85.46%
2020	0.11780%	17,141,538	10,133,506	169.16%	71.47%
2019	0.11518%	15,158,343	9,497,640	159.60%	73.51%
2018	0.12033%	14,151,000	9,590,414	147.55%	74.81%
2017	0.12317%	15,148,000	9,599,056	157.81%	72.92%
2016	0.13937%	19,532,000	10,630,160	183.74%	68.28%
2015	0.13813%	17,386,000	10,002,824	173.81%	70.68%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total pension liability</b>										
Service cost	\$ 123,778	\$ 121,816	\$ 104,691	\$ 130,691	\$ 129,577	\$ 129,184	\$ 132,297	\$ 148,144	\$ 151,440	\$ 155,770
Interest	843,024	840,336	854,887	829,134	819,701	836,210	841,539	828,266	808,963	792,187
Assumption changes				368,626		284,980		162,640		
Differences between expected and actual experience	492,459	152,146	(159,223)	187,914	(27,948)	(97,735)	(111,188)	(27,037)	228,526	186,523
Benefit payments	(1,093,581)	(1,059,298)	(1,006,804)	(1,040,529)	(954,360)	(955,216)	(922,336)	(922,456)	(903,887)	(885,765)
<b>Net change in total pension liability</b>	\$ 365,680	\$ 55,000	\$ (206,449)	\$ 259,974	\$ 182,832	\$ 197,423	\$ (59,688)	\$ 189,557	\$ 285,042	\$ 248,715
<b>Total pension liability - beginning</b>	\$ 12,912,252	\$ 12,857,252	\$ 13,063,701	\$ 12,803,727	\$ 12,620,895	\$ 12,423,472	\$ 12,483,160	\$ 12,293,603	\$ 12,008,561	\$ 11,759,846
<b>Total pension liability - ending (a)</b>	\$ 13,277,932	\$ 12,912,252	\$ 12,857,252	\$ 13,063,701	\$ 12,803,727	\$ 12,620,895	\$ 12,423,472	\$ 12,483,160	\$ 12,293,603	\$ 12,008,561
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 640,278	\$ 597,823	\$ 537,953	\$ 537,513	\$ 576,724	\$ 616,599	\$ 427,517	\$ 420,094	\$ 424,936	\$ 449,539
Contributions - employee	68,601	64,075	61,937	63,518	89,102	80,086	64,068	63,163	68,659	74,927
Net investment income	557,978	369,607	(638)	1,412,417	105,034	356,321	397,883	624,791	88,640	255,532
Benefit payments	(1,093,581)	(1,059,298)	(1,006,804)	(1,040,529)	(954,360)	(955,216)	(922,336)	(922,456)	(903,887)	(885,765)
Administrator charges	(3,939)	(3,912)	(4,077)	(3,827)	(3,730)	(3,670)	(3,722)	(3,948)	(3,699)	(3,803)
Other	109	148	141	131	(122)	(224)	(343)	(543)	(40)	(94)
<b>Net change in plan fiduciary net position</b>	\$ 169,446	\$ (31,557)	\$ (411,488)	\$ 969,223	\$ (187,352)	\$ 93,896	\$ (36,933)	\$ 181,101	\$ (325,391)	\$ (109,624)
<b>Plan fiduciary net position - beginning</b>	\$ 5,957,005	\$ 5,988,562	\$ 6,400,050	\$ 5,430,827	\$ 5,618,179	\$ 5,524,283	\$ 5,561,216	\$ 5,380,115	\$ 5,705,506	\$ 5,815,130
<b>Plan fiduciary net position - ending (b)</b>	\$ 6,126,451	\$ 5,957,005	\$ 5,988,562	\$ 6,400,050	\$ 5,430,827	\$ 5,618,179	\$ 5,524,283	\$ 5,561,216	\$ 5,380,115	\$ 5,705,506
<b>School Division's net pension liability - ending (a) - (b)</b>	\$ 7,151,481	\$ 6,955,247	\$ 6,868,690	\$ 6,663,651	\$ 7,372,900	\$ 7,002,716	\$ 6,899,189	\$ 6,921,944	\$ 6,913,488	\$ 6,303,055
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	46.14%	46.13%	46.58%	48.99%	42.42%	44.51%	44.47%	44.55%	43.76%	47.51%
<b>Covered payroll</b>	\$ 1,527,944	\$ 1,423,581	\$ 1,335,467	\$ 1,318,681	\$ 1,408,522	\$ 1,344,974	\$ 1,297,178	\$ 1,297,374	\$ 1,381,996	\$ 1,436,362
<b>School Division's net pension liability as a percentage of covered payroll</b>	468.05%	488.57%	514.33%	505.33%	521.45%	520.66%	531.86%	533.53%	500.25%	438.82%

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

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<b>Primary Government</b>					
2025	\$ 990,370	\$ 990,370	\$ -	7,773,570	12.74%
2024	884,519	884,519	-	7,212,458	12.26%
2023	780,983	780,983	-	6,397,305	12.21%
2022	644,429	644,429	-	5,807,230	11.10%
2021	605,704	605,704	-	5,405,725	11.20%
2020	491,201	491,201	-	5,344,568	9.19%
2019	462,491	462,491	-	4,960,386	9.32%
2018	472,220	472,220	-	4,931,102	9.58%
2017	468,027	468,027	-	4,853,848	9.64%
2016	524,813	524,813	-	4,961,118	10.58%
<b>Component Unit Public Service Authority</b>					
2025	\$ 72,457	\$ 72,457	\$ -	568,726	12.74%
2024	83,182	83,182	-	693,146	12.00%
2023	77,671	77,671	-	610,868	12.71%
2022	67,945	67,945	-	612,280	11.10%
2021	69,891	69,891	-	623,756	11.20%
2020	55,094	55,094	-	599,457	9.19%
2019	53,809	53,809	-	577,125	9.32%
2018	54,273	54,273	-	566,738	9.58%
2017	52,992	52,992	-	567,935	9.33%
2016	61,715	61,715	-	565,268	10.92%
<b>Component Unit School Board (nonprofessional)</b>					
2025	\$ 1,012,729	\$ 1,012,729	\$ -	1,573,049	64.38%
2024	640,278	640,278	-	1,527,944	41.90%
2023	597,823	597,823	-	1,423,581	41.99%
2022	540,468	540,468	-	1,335,467	40.47%
2021	530,236	530,236	-	1,318,681	40.21%
2020	574,667	574,667	-	1,408,522	40.80%
2019	538,569	538,569	-	1,344,974	40.04%
2018	427,516	427,516	-	1,297,178	32.96%
2017	426,007	426,007	-	1,297,374	32.84%
2016	424,936	424,936	-	1,381,996	30.75%
<b>Component Unit School Board (professional)</b>					
2025	\$ 1,760,359	\$ 1,760,359	\$ -	12,388,173	14.21%
2024	1,941,344	1,941,344	-	12,098,845	16.05%
2023	1,831,852	1,831,852	-	11,374,262	16.11%
2022	1,693,034	1,693,034	-	10,439,514	16.22%
2021	1,597,561	1,597,561	-	9,841,093	16.23%
2020	1,559,321	1,559,321	-	10,133,506	15.39%
2019	1,471,114	1,471,114	-	9,497,640	15.49%
2018	1,555,617	1,555,617	-	9,590,414	16.22%
2017	1,401,514	1,401,514	-	9,599,056	14.60%
2016	1,490,224	1,490,224	-	10,630,160	14.02%

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

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

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

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

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

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

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

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

Component Unit School Board - Professional Employees

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

County of Dickenson, Virginia  
 Schedule of Changes in Total OPEB Liability and Related Ratios  
 Component Unit-School Board  
 Healthcare OPEB Plan  
 For the Measurements Dates of June 30, 2018 through June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB liability</b>								
Service cost	\$ 306,020	\$ 402,298	\$ 496,121	\$ 545,505	\$ 497,344	\$ 531,562	\$ 481,879	\$ 494,100
Interest	341,991	478,347	459,001	229,162	225,998	404,482	418,377	384,114
Effect of Economic/Demographic Gains or Losses	-	(3,435,121)	-	-	-	-	-	-
Changes in assumptions	(790,755)	(1,164,924)	(113,296)	715,006	36,691	393,632	309,715	(308,384)
Differences between expected and actual experience	-	-	-	-	-	448,317	-	-
Effect of plan changes	-	-	-	1,479,650	-	(2,745,118)	-	-
Benefit payments	(582,296)	(593,320)	(624,049)	(505,013)	(345,838)	(311,504)	(712,078)	(731,425)
<b>Net change in total OPEB liability</b>	<b>\$ (725,040)</b>	<b>\$ (4,312,720)</b>	<b>\$ 217,777</b>	<b>\$ 2,464,310</b>	<b>\$ 414,195</b>	<b>\$ (1,278,629)</b>	<b>\$ 497,893</b>	<b>\$ (161,595)</b>
<b>Total OPEB liability - beginning</b>	<b>8,684,385</b>	<b>12,997,105</b>	<b>12,779,328</b>	<b>10,315,018</b>	<b>9,900,823</b>	<b>11,179,452</b>	<b>10,681,559</b>	<b>10,843,154</b>
<b>Total OPEB liability - ending</b>	<b>\$ 7,959,345</b>	<b>\$ 8,684,385</b>	<b>\$ 12,997,105</b>	<b>\$ 12,779,328</b>	<b>\$ 10,315,018</b>	<b>\$ 9,900,823</b>	<b>\$ 11,179,452</b>	<b>\$ 10,681,559</b>
<b>Covered-employee payroll</b>	<b>\$ 12,710,816</b>	<b>\$ 12,710,816</b>	<b>\$ 11,623,493</b>	<b>\$ 11,623,493</b>	<b>\$ 7,307,586</b>	<b>\$ 7,307,586</b>	<b>\$ 10,804,200</b>	<b>\$ 10,804,200</b>
<b>School's total OPEB liability (asset) as a percentage of covered-employee payroll</b>	<b>62.62%</b>	<b>68.32%</b>	<b>111.82%</b>	<b>109.94%</b>	<b>141.15%</b>	<b>135.49%</b>	<b>103.47%</b>	<b>98.86%</b>

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

**County of Dickenson, Virginia**  
**Notes to Required Supplementary Information - Healthcare OPEB Plan**  
**For the Year Ended June 30, 2025**

Valuation Date: 07/01/2023  
 Measurement Date: 06/30/2025

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

*Methods and assumptions used to determine OPEB liability:*

Actuarial Cost Method	Entry age normal
Discount Rate	5.20%
Inflation	2.50%
Retirement Age	The average age at retirement is 62
Healthcare Trend Rates	Starts at .90% for fiscal year 2023, increases to 6.40% in 2024, decreases to 5.60% in 2025 and decreases incrementally to an ultimate rate of 3.90% in 2072.

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

County of Dickenson, Virginia  
 Schedule of Employer's Share of Net OPEB Liability  
 Group Life Insurance (GLI) Plan  
 For the Measurement Dates of June 30, 2017 through June 30, 2024

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)
<b>Component Unit-School Board (nonprofessional)</b>					
2024	0.00595%	\$ 66,397	\$ 1,527,994	4.35%	73.41%
2023	0.00613%	73,518	1,443,725	5.09%	69.30%
2022	0.00620%	74,172	1,338,936	5.54%	67.21%
2021	0.00640%	74,281	1,318,681	5.63%	67.45%
2020	0.00690%	114,482	1,411,615	8.11%	52.64%
2019	0.00688%	111,956	1,346,471	8.31%	52.00%
2018	0.00683%	104,000	1,298,811	8.01%	51.22%
2017	0.00703%	106,000	1,297,374	8.17%	48.86%
<b>Component Unit-School Board (professional)</b>					
2024	0.04714%	\$ 526,046	\$ 12,103,501	4.35%	73.41%
2023	0.04831%	579,388	11,380,003	5.09%	69.30%
2022	0.04800%	577,846	10,439,514	5.54%	67.21%
2021	0.04770%	554,892	9,841,093	5.64%	67.45%
2020	0.04920%	821,735	10,133,306	8.11%	52.64%
2019	0.04848%	788,899	9,497,640	8.31%	52.00%
2018	0.05047%	766,000	9,597,490	7.98%	51.22%
2017	0.05223%	786,000	9,634,620	8.16%	48.86%

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

County of Dickenson, Virginia  
 Schedule of Employer Contributions  
 Group Life Insurance (GLI) Plan  
 For the Years Ended June 30, 2016 through June 30, 2025

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<b>Component Unit-School Board (nonprofessional)</b>					
2025	\$ 7,393	\$ 7,393	\$ -	\$ 1,573,049	0.47%
2024	8,251	8,251	-	1,527,994	0.54%
2023	7,796	7,796	-	1,443,725	0.54%
2022	7,230	7,230	-	1,338,936	0.54%
2021	7,112	7,112	-	1,318,681	0.54%
2020	7,275	7,275	-	1,411,615	0.52%
2019	6,942	6,942	-	1,346,471	0.52%
2018	6,754	6,754	-	1,298,811	0.52%
2017	6,746	6,746	-	1,297,374	0.52%
2016	6,634	6,634	-	1,381,995	0.48%
<b>Component Unit-School Board (professional)</b>					
2025	\$ 58,224	\$ 58,224	\$ -	\$ 12,388,173	0.47%
2024	65,359	65,359	-	12,103,501	0.54%
2023	61,452	61,452	-	11,380,003	0.54%
2022	56,373	56,373	-	10,439,514	0.54%
2021	53,074	53,074	-	9,841,093	0.54%
2020	52,183	52,183	-	10,133,306	0.52%
2019	49,128	49,128	-	9,497,640	0.52%
2018	49,887	49,887	-	9,597,490	0.52%
2017	50,100	50,100	-	9,634,620	0.52%
2016	51,176	51,176	-	10,661,650	0.48%

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

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

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

**Teachers**

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

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

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

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

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2024	0.11293%	\$ 1,305,073	\$ 12,098,845	10.79%	21.82%
2023	0.11407%	1,381,864	11,374,262	12.15%	17.90%
2022	0.11201%	1,399,057	10,439,514	13.40%	15.08%
2021	0.11125%	1,427,971	9,841,093	14.51%	13.15%
2020	0.11560%	1,507,891	10,133,306	14.88%	9.95%
2019	0.11331%	1,483,338	9,497,640	15.62%	8.97%
2018	0.11863%	1,507,000	9,590,414	15.71%	8.08%
2017	0.12163%	1,543,000	9,599,056	16.07%	7.04%

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

County of Dickenson, Virginia  
 Schedule of Employer Contributions  
 Teacher Employee Health Insurance Credit (HIC) Plan  
 For the Years Ended June 30, 2016 through June 30, 2025

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Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<b>Component Unit-School Board (professional)</b>					
2025	\$ 149,897	\$ 149,897	\$ -	\$ 12,388,173	1.21%
2024	146,396	146,396	-	12,098,845	1.21%
2023	137,629	137,629	-	11,374,262	1.21%
2022	126,318	126,318	-	10,439,514	1.21%
2021	119,166	119,166	-	9,841,093	1.21%
2020	120,425	120,425	-	10,133,306	1.19%
2019	113,553	113,553	-	9,497,640	1.20%
2018	117,961	117,961	-	9,590,414	1.23%
2017	106,550	106,550	-	9,599,056	1.11%
2016	112,636	112,636	-	10,626,089	1.06%

County of Dickenson, Virginia  
Notes to Required Supplementary Information  
Teacher Employee Health Insurance Credit (HIC) Plan  
For the Year Ended June 30, 2025

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

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

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

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

	2024	2023	2022	2021	2020
<b>Total HIC OPEB Liability</b>					
Service cost	\$ 1,654	\$ 1,675	\$ 2,499	\$ 2,656	-
Interest	13,672	23,620	23,133	21,630	-
Changes in benefit terms	-	-	-	-	320,438
Differences between expected and actual experience	14,836	(150,884)	(10,005)	-	-
Changes of assumptions	-	-	12,469	4,988	-
Benefit payments	(22,436)	(21,096)	(19,013)	-	-
<b>Net change in total HIC OPEB liability</b>	<b>\$ 7,726</b>	<b>\$ (146,685)</b>	<b>\$ 9,083</b>	<b>\$ 29,274</b>	<b>\$ 320,438</b>
<b>Total HIC OPEB Liability - beginning</b>	<b>212,110</b>	<b>358,795</b>	<b>349,712</b>	<b>320,438</b>	<b>-</b>
<b>Total HIC OPEB Liability - ending (a)</b>	<b>\$ 219,836</b>	<b>\$ 212,110</b>	<b>\$ 358,795</b>	<b>\$ 349,712</b>	<b>\$ 320,438</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 34,991	\$ 32,601	\$ 23,371	\$ 23,056	-
Net investment income	4,712	2,323	(83)	2,982	-
Benefit payments	(22,436)	(21,096)	(19,013)	-	-
Administrator charges	(70)	(62)	(51)	(102)	-
Other	-	5	90	-	-
<b>Net change in plan fiduciary net position</b>	<b>\$ 17,197</b>	<b>\$ 13,771</b>	<b>\$ 4,314</b>	<b>\$ 25,936</b>	<b>\$ -</b>
<b>Plan fiduciary net position - beginning</b>	<b>44,021</b>	<b>30,250</b>	<b>25,936</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 61,218</b>	<b>\$ 44,021</b>	<b>\$ 30,250</b>	<b>\$ 25,936</b>	<b>\$ -</b>
<b>Component Unit School Board's net HIC OPEB liability - ending (a) - (b)</b>	<b>\$ 158,618</b>	<b>\$ 168,089</b>	<b>\$ 328,545</b>	<b>\$ 323,776</b>	<b>\$ 348,524</b>
<b>Plan fiduciary net position as a percentage of the total HIC OPEB liability</b>	<b>7.823%</b>	<b>6.492%</b>	<b>1.202%</b>	<b>7.416%</b>	<b>-</b>
<b>Covered payroll</b>	<b>\$ 1,527,994</b>	<b>\$ 1,423,581</b>	<b>\$ 1,335,467</b>	<b>\$ 1,265,543</b>	<b>\$ -</b>
<b>Component Unit School Board's net HIC OPEB liability as a percentage of covered payroll</b>	<b>14.387%</b>	<b>14.900%</b>	<b>26.867%</b>	<b>27.633%</b>	<b>-</b>

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

County of Dickenson, Virginia  
 Schedule of Employer Contributions  
 Health Insurance Credit (HIC) Plan  
 For the Years Ended June 30, 2021 through June 30, 2025

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Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2025	\$ 36,023	\$ 36,023	\$ -	\$ 1,573,049	2.29%
2024	34,991	34,991	-	1,527,994	2.29%
2023	32,600	32,600	-	1,423,581	2.29%
2022	23,371	23,371	-	1,335,467	1.75%
2021	22,147	22,147	-	1,265,543	1.75%

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

County of Dickenson, Virginia  
 Notes to Required Supplementary Information  
 Health Insurance Credit (HIC) Plan  
 For the Year Ended June 30, 2025

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

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

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

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

## **Other Supplementary Information**

## FIDUCIARY FUNDS

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Special Welfare- The Special Welfare fund accounts for those funds belonging to individuals entrusted to the local social services agency, such as foster care children.

Town of Clinchco- The Town of Clinchco fund accounts for those funds collected by the County for the Town of Clinchco.

Town of Clintwood- The Town of Clintwood fund accounts for those funds collected by the County for the Town of Clintwood.

Town of Haysi- The Town of Haysi fund accounts for those funds collected by the County for the Town of Haysi.

Fringe Benefits- The Fringe Benefits fund accounts for the County employees' fringe benefits.

Dickenson County Behavioral Health Services- The Dickenson County Behavioral Health Services (DCBHS) fund accounts for the funds that are maintained on behalf of DCBHS.

EQT Funds- The EQT Fund accounts for disputed income tax amounts held at the County.

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

	Custodial Funds							EQT Funds	Total
	Special Welfare	Town of Clinchco	Town of Clintwood	Town of Haysi	Fringe Benefits	Dickenson County Behavioral Health Services	-		
<b>ASSETS</b>									
Cash and cash equivalents	\$ 245,357	\$ 3,762	\$ 40,892	\$ 9,081	\$ 76,608	\$ 4,142,998	\$ 1,010	\$ 4,519,708	
Receivables:									
Due from other governments	-	-	-	-	-	262,176	-	262,176	
Total assets	<u>\$ 245,357</u>	<u>\$ 3,762</u>	<u>\$ 40,892</u>	<u>\$ 9,081</u>	<u>\$ 76,608</u>	<u>\$ 4,405,174</u>	<u>\$ 1,010</u>	<u>\$ 4,781,884</u>	
<b>NET POSITION</b>									
Restricted:									
Special Welfare	\$ 245,357	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 245,357	
Town of Clincho	-	3,762	-	-	-	-	-	3,762	
Town of Clintwood	-	-	40,892	-	-	-	-	40,892	
Town of Haysi	-	-	-	9,081	-	-	-	9,081	
Fringe Benefits	-	-	-	-	76,608	-	-	76,608	
Dickenson County Behavioral Health Services	-	-	-	-	-	4,405,174	-	4,405,174	
EQT Funds	-	-	-	-	-	-	1,010	1,010	
Total net position	<u>\$ 245,357</u>	<u>\$ 3,762</u>	<u>\$ 40,892</u>	<u>\$ 9,081</u>	<u>\$ 76,608</u>	<u>\$ 4,405,174</u>	<u>\$ 1,010</u>	<u>\$ 4,781,884</u>	

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

	Special Welfare	Town of Clinchco	Town of Clintwood	Town of Haysi	Fringe Benefits	Dickenson County Behavioral Health Services	EQT Funds	Total
<b>ADDITIONS</b>								
Contributions:								
Expenditure reimbursement	\$ 170,104	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 170,104
Tax collections	-	24,396	248,910	56,868	-	-	-	330,174
Receipts from other governments	-	-	-	-	-	516,146	-	516,146
VSRS withholdings	-	-	-	-	2,057,323	-	-	2,057,323
Patient service revenue	-	-	-	-	-	8,141,239	-	8,141,239
Total contributions	\$ 170,104	\$ 24,396	\$ 248,910	\$ 56,868	\$ 2,057,323	\$ 8,657,385	\$ -	\$ 11,214,986
<b>DEDUCTIONS:</b>								
Special welfare payments	\$ 199,046	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 199,046
DCBHS payments	-	-	-	-	-	7,452,065	-	7,452,065
VSRS payments	-	-	-	-	2,136,717	-	-	2,136,717
Payments of sales tax to other governments	-	24,535	261,305	56,320	-	-	-	342,160
Total deductions	\$ 199,046	\$ 24,535	\$ 261,305	\$ 56,320	\$ 2,136,717	\$ 7,452,065	\$ -	\$ 10,129,988
Net increase (decrease) in fiduciary net position	\$ (28,942)	\$ (139)	\$ (12,395)	\$ 548	\$ (79,394)	\$ 1,205,320	\$ -	\$ 1,084,998
Net position, beginning	274,299	3,901	53,287	8,533	156,002	3,199,854	1,010	3,696,886
Net position, ending	\$ 245,357	\$ 3,762	\$ 40,892	\$ 9,081	\$ 76,608	\$ 4,405,174	\$ 1,010	\$ 4,781,884

## **DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD**

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### **MAJOR GOVERNMENTAL FUNDS**

School Operating Fund - The School Operating Fund accounts for 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.

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

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

	School Operating Fund	School CIP Fund	School Activity Fund	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,159,169	\$ 846,368	\$ 646,665	\$ 6,652,202
Receivables (net of allowance for uncollectibles):				
Accounts receivable	47,223	-	-	47,223
Due from other governmental units	1,071,783	-	-	1,071,783
Prepaid items	91,038	-	-	91,038
Total assets	<u>\$ 6,369,213</u>	<u>\$ 846,368</u>	<u>\$ 646,665</u>	<u>\$ 7,862,246</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 667,532	\$ 400,510	\$ -	\$ 1,068,042
Accrued liabilities	1,368,577	-	-	1,368,577
Unearned revenue	699,303	-	-	699,303
Total liabilities	<u>\$ 2,735,412</u>	<u>\$ 400,510</u>	<u>\$ -</u>	<u>\$ 3,135,922</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid items	\$ 91,038	\$ -	\$ -	\$ 91,038
Restricted:				
School construction	-	445,858	-	445,858
School activity fund	-	-	646,665	646,665
Unassigned	3,542,763	-	-	3,542,763
Total fund balances	<u>\$ 3,633,801</u>	<u>\$ 445,858</u>	<u>\$ 646,665</u>	<u>\$ 4,726,324</u>
Total liabilities and fund balances	<u>\$ 6,369,213</u>	<u>\$ 846,368</u>	<u>\$ 646,665</u>	<u>\$ 7,862,246</u>

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

Total fund balances per above	\$ 4,726,324
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets, not being depreciated/amortized	\$ 36,894,098
Capital assets, net of accumulated depreciation/amortization	<u>49,892,590</u>
86,786,688	
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	
Pension related items	\$ 5,232,982
OPEB related items	<u>1,391,920</u>
6,624,902	
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	
Net pension liability	\$ (17,954,904)
Compensated absences	(1,068,016)
Net OPEB liabilities	<u>(10,015,479)</u>
(29,038,399)	
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	
Pension related items	\$ (2,089,334)
OPEB related items	<u>(3,840,213)</u>
(5,929,547)	
Net position of governmental activities	<u>\$ 63,169,968</u>

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

	School Operating Fund	School CIP Fund	School Activity Fund*	Total
<b>REVENUES</b>				
Charges for services	\$ 56,454	\$ -	\$ 779,762	\$ 836,216
Miscellaneous	373,960	-	-	373,960
Intergovernmental:				
Local government	5,323,187	-	-	5,323,187
Commonwealth	22,537,152	-	-	22,537,152
Federal	3,738,661	221,108	-	3,959,769
Total revenues	<u>\$ 32,029,414</u>	<u>\$ 221,108</u>	<u>\$ 779,762</u>	<u>\$ 33,030,284</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 32,530,670	\$ -	\$ 814,372	\$ 33,345,042
Capital projects	-	1,076,797	-	1,076,797
Total expenditures	<u>\$ 32,530,670</u>	<u>\$ 1,076,797</u>	<u>\$ 814,372</u>	<u>\$ 34,421,839</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (501,256)	\$ (855,689)	\$ (34,610)	\$ (1,391,555)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 11,173	\$ -	\$ 81,190	\$ 92,363
Transfers out	(81,190)	-	(11,173)	(92,363)
Total other financing sources (uses)	<u>\$ (70,017)</u>	<u>\$ -</u>	<u>\$ 70,017</u>	<u>\$ -</u>
Net change in fund balances	\$ (571,273)	\$ (855,689)	\$ 35,407	\$ (1,391,555)
Fund balances - beginning, as previously reported	4,205,074	1,301,547	142,101	5,648,722
Restatements	-	-	469,157	469,157
Fund balances - beginning, as restated	<u>\$ 4,205,074</u>	<u>\$ 1,301,547</u>	<u>\$ 611,258</u>	<u>\$ 6,117,879</u>
Fund balances - ending	<u>\$ 3,633,801</u>	<u>\$ 445,858</u>	<u>\$ 646,665</u>	<u>\$ 4,726,324</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 \$ (1,391,555)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlays	\$ 1,904,793	
Depreciation expense	<u>(2,110,559)</u>	(205,766)

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

Change in pension related items	\$ 996,923	
Change in OPEB related items	746,211	
Change in compensated absences	<u>55,592</u>	1,798,726

Change in net position of governmental activities \$ 201,405

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

County of Dickenson, Virginia  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Discretely Presented Component Unit - School Board  
For the Year Ended June 30, 2025

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 45,000	\$ 45,000	\$ 56,454	\$ 11,454
Miscellaneous	283,900	283,900	373,960	90,060
Intergovernmental:				
Local government	8,341,992	8,341,992	5,323,187	(3,018,805)
Commonwealth	22,044,404	22,044,404	22,537,152	492,748
Federal	4,490,385	4,490,385	3,738,661	(751,724)
Total revenues	<u>\$ 35,205,681</u>	<u>\$ 35,205,681</u>	<u>\$ 32,029,414</u>	<u>\$ (3,176,267)</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 35,134,581	\$ 35,134,581	\$ 32,530,670	\$ 2,603,911
Excess (deficiency) of revenues over (under) expenditures	\$ 71,100	\$ 71,100	\$ (501,256)	\$ (572,356)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ 11,173	\$ 11,173
Transfers out	(71,100)	(71,100)	(81,190)	(10,090)
Total other financing sources (uses)	<u>\$ (71,100)</u>	<u>\$ (71,100)</u>	<u>\$ (70,017)</u>	<u>\$ 1,083</u>
Net change in fund balances	\$ -	\$ -	\$ (571,273)	\$ (571,273)
Fund balances - beginning	-	-	4,205,074	4,205,074
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,633,801</u>	<u>\$ 3,633,801</u>

## **Other Statistical Information**

Table 1

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

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (1)	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Total
2024-25	\$ 3,401,831	\$ 2,451,094	\$ 6,687,505	\$ 3,935,989	\$ 8,404,858	\$ 5,769,133	\$ 686,500	\$ 1,749,941	\$ 194,946	\$ 33,281,797
2023-24	2,644,835	2,068,446	6,397,279	4,116,206	7,905,094	6,063,377	639,841	4,420,192	197,292	34,452,562
2022-23	2,482,437	1,919,735	6,158,450	2,407,885	8,267,791	5,699,567	584,835	4,992,145	293,851	32,806,696
2021-22	731,377	1,849,882	5,277,889	2,730,211	7,834,374	5,220,429	(74,170)	5,612,648	186,599	29,369,239
2020-21	1,864,225	1,893,402	5,217,532	3,731,964	6,896,991	6,896,548	526,476	3,531,076	639,569	31,197,783
2019-20	2,594,258	1,667,814	5,795,499	3,840,409	6,943,896	7,702,559	556,784	4,029,435	371,553	33,502,207
2018-19	1,681,546	1,462,797	4,616,342	5,003,175	6,789,722	6,596,252	285,429	3,132,775	529,741	30,097,779
2017-18	1,882,827	1,602,350	5,352,066	2,921,758	6,667,006	7,687,931	276,657	3,483,452	365,201	30,239,248
2016-17	1,889,360	1,846,897	4,816,537	2,344,066	6,696,701	35,018,973	211,727	4,249,320	858,317	57,931,898
2015-16	1,447,189	994,021	3,855,643	2,211,993	6,481,617	26,120,875	211,823	8,974,110	1,703,899	52,001,170

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

Table 2

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

Fiscal Year	PROGRAM REVENUES				GENERAL REVENUES						Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	Special Items		
2024-25	\$ 414,116	\$ 11,704,522	\$ 679,611	\$ 8,714,143	\$ 9,950,014	\$ 1,799,444	\$ 470,541	\$ 2,290,738	\$ -	\$ 36,023,129	
2023-24	474,126	9,844,097	199,555	15,286,228	13,174,548	351,344	1,348,138	2,064,576	-	42,742,612	
2022-23	398,193	10,393,677	581,381	11,062,458	16,114,113	87,562	336,278	2,010,500	-	40,984,162	
2021-22	373,933	8,970,229	776,114	10,940,207	17,865,691	(125,223)	1,471,347	1,426,006	-	41,698,304	
2020-21	397,428	10,026,653	864,348	10,958,426	7,329,656	7,253	236,887	1,403,066	-	31,223,717	
2019-20	328,981	7,817,479	2,728,055	11,185,408	7,538,067	17,486	146,498	1,497,938	-	31,259,912	
2018-19	338,083	7,313,123	1,433,064	11,299,433	9,750,444	21,464	37,065	1,452,230	-	31,644,906	
2017-18	330,742	8,040,353	1,961,194	11,195,519	9,769,574	7,307	554,458	1,398,973	-	33,258,120	
2016-17	526,988	7,130,074	35,345,442	12,677,750	9,285,792	7,390	36,462	1,488,617	153,799	66,652,314	
2105-16	519,966	6,872,593	18,455,204	11,937,747	6,274,918	4,218	270,439	1,562,224	-	45,897,309	

Table 3

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

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Nondepartmental	Capital Projects	Debt Service	Total
2024-25	\$ 2,505,685	\$ 2,157,868	\$ 6,887,207	\$ 4,213,974	\$ 8,428,242	\$ 33,419,836	\$ 579,350	\$ 3,074,971	\$ 803,470	\$ 1,132,033	\$ 1,590,419	\$ 64,793,055
2023-24	2,721,917	1,809,151	6,501,810	3,917,687	7,833,995	36,471,069	547,633	4,405,907	307,584	1,355,839	1,899,756	67,772,348
2022-23	2,211,738	1,659,595	6,151,328	2,924,383	8,269,062	34,622,365	502,684	4,980,502	423,598	7,160,403	1,880,997	70,786,655
2021-22	1,879,228	1,620,229	5,626,556	2,671,595	7,250,223	31,031,247	492,127	5,622,069	231,441	13,816,855	2,117,517	72,359,087
2020-21	1,982,131	1,531,170	5,146,351	3,567,411	7,193,866	27,961,148	459,896	3,468,466	1,801,034	3,158,422	2,661,930	58,931,825
2019-20	1,964,934	1,505,108	5,354,194	3,585,155	7,431,325	25,820,149	490,924	3,635,646	164,714	842,650	2,544,266	53,339,065
2018-19	1,690,845	1,299,559	4,572,319	4,974,139	7,324,455	25,650,202	222,652	3,134,672	193,153	350,119	3,009,552	52,421,667
2017-18	1,921,533	1,356,334	5,363,666	2,919,903	7,134,052	23,489,065	213,429	3,488,742	124,180	507,440	2,693,496	49,211,840
2016-17	1,925,915	1,287,107	4,804,937	2,253,275	6,802,450	24,093,852	146,594	4,242,373	-	1,452,957	28,651,475	75,660,935
2015-16	1,465,556	1,015,153	4,228,678	2,149,697	6,689,813	24,596,740	185,091	9,028,587	-	14,459,765	18,033,028	81,852,108

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

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

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

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous & Recovered Costs	Inter-governmental (2)	Total
2024-25	\$ 12,682,109	\$ 9,950,014	\$ 9,039	\$ 42,311	\$ 1,799,444	\$ 1,198,982	\$ 2,894,574	\$ 41,572,567	\$ 70,149,040
2023-24	11,696,742	13,174,548	8,371	87,845	351,344	560,194	1,724,406	41,148,221	68,751,671
2022-23	11,202,672	16,114,113	16,525	50,705	87,562	1,234,844	2,990,316	47,874,229	79,570,966
2021-22	10,747,522	17,865,691	9,905	45,622	(125,223)	1,138,513	3,588,749	49,989,180	83,259,959
2020-21	11,193,653	7,329,656	9,427	54,786	8,810	745,777	2,752,205	41,409,536	63,503,850
2019-20	11,226,319	7,538,067	9,243	28,736	17,486	402,585	1,165,770	31,508,760	51,896,966
2018-19	11,510,072	9,750,444	9,774	52,429	21,464	465,472	1,186,333	28,885,741	51,881,729
2017-18	12,774,948	9,769,574	12,111	49,822	7,307	527,714	1,505,093	28,829,494	53,476,063
2016-17	12,500,553	9,285,792	8,448	119,047	7,390	699,219	1,118,209	61,365,427	85,104,085
2015-16	10,394,299	6,274,918	10,893	43,014	4,218	775,992	1,330,307	43,843,934	62,677,575

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

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

Table 5

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

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections	Percent of		Outstanding Delinquent Taxes (1)	Percent of Delinquent Taxes to Tax Levy
						Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1)		
2024-25	\$ 13,605,906	\$ 12,875,932	94.63%	\$ 410,884	\$ 13,286,816	97.65%	\$ 6,090,512	44.76%	
2023-24	13,136,436	11,984,638	91.23%	344,936	12,329,574	93.86%	6,299,225	47.95%	
2022-23	12,177,583	10,573,089	86.82%	1,217,966	11,791,055	96.83%	1,902,501	15.62%	
2021-22	12,018,158	10,279,286	85.53%	1,043,374	11,322,660	94.21%	2,079,145	17.30%	
2020-21	11,636,401	11,312,793	97.22%	456,633	11,769,426	101.14%	2,122,186	18.24%	
2019-20	11,779,824	11,286,783	95.81%	467,122	11,753,905	99.78%	2,259,291	19.18%	
2018-19	11,867,996	11,639,946	98.08%	449,534	12,089,480	101.87%	2,363,137	19.91%	
2017-18	12,635,546	10,232,802	80.98%	2,865,325	13,098,127	103.66%	2,466,700	19.52%	
2016-17	13,280,074	11,811,566	88.94%	402,294	12,213,860	91.97%	4,002,856	30.14%	
2015-16	12,567,077	10,423,096	82.94%	415,937	10,839,033	86.25%	3,812,167	30.33%	

(1) Exclusive of penalties and interest.

Table 6

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

Fiscal Year	Real Estate (1)	Personal Property and Mobile Homes	Machinery and Tools	Merchant's Capital	Public Utility (2)		Total
					Real Estate	Personal Property	
2024-25	\$ 1,581,764,881	\$ 165,288,816	\$ 98,827,024	\$ 1,341,861	\$ 142,998,279	\$ 138,325	\$ 1,990,359,186
2023-24	1,593,963,500	163,091,298	76,884,812	1,385,330	105,739,555	54,001	1,941,118,496
2022-23	1,190,092,617	137,841,520	102,600,829	1,503,802	125,860,072	1,992,025	1,559,890,865
2021-22	1,228,813,089	137,555,021	84,732,962	1,338,272	125,946,456	67,759	1,578,453,559
2020-21	1,250,954,053	116,694,203	81,288,972	899,434	121,847,471	98,119	1,571,782,252
2019-20	1,274,999,676	122,431,888	75,983,735	884,919	118,874,514	160,485	1,593,335,217
2018-19	1,292,292,300	129,819,711	70,528,717	920,143	109,580,306	224,086	1,603,365,263
2017-18	1,341,835,375	131,507,513	98,253,636	775,076	103,162,284	162,011	1,675,695,895
2016-17	1,364,073,644	136,088,656	151,109,249	774,644	107,045,402	191,687	1,759,283,282
2015-16	1,377,223,700	134,806,776	96,449,867	807,876	116,712,808	238,089	1,726,239,116

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

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

Table 7

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

Fiscal Year	Real Estate	Mobile Homes	Personal Property (2)	Public Service Corporations		Machinery and Tools (2)	Merchant's Capital
				Real Estate	Personal Property (2)		
2024-25	\$ 0.52	\$ 0.52	1.85	\$ 0.52	1.85	1.85	\$ 10.50
2023-24	0.52	0.60	1.85	0.52	1.85	1.85	10.50
2022-23	0.60	0.60	1.85	0.60	1.85	1.85	10.50
2021-22	0.60	0.60	1.85	0.60	1.85	1.85	10.50
2020-21	0.60	0.60	1.85	0.60	1.85	1.85	10.50
2019-20	0.60	0.60	1.85	0.60	1.85	1.85	10.50
2018-19	0.60	0.60	1.85	0.60	1.85	1.85	10.50
2017-18	0.56	0.56	1.82	0.56	1.82	1.82	10.50
2016-17	0.56	0.56	1.82	0.56	1.82	1.82	10.50
2015-16	0.56	0.56	1.82	0.56	1.82	1.82	10.50

(1) Per \$100 of assessed value.

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

Table 8

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

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross Bonded Debt (3)	Net Bonded Debt	Ratio of	
					Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2024-25	14,124	\$ 1,990,359	\$ 11,306,736	\$ 11,306,736	0.57%	\$ 801
2023-24	14,124	1,941,118	12,182,595	12,182,595	0.63%	863
2022-23	14,124	1,559,891	13,055,411	13,055,411	0.84%	924
2021-22	14,124	1,578,453	13,934,302	13,934,302	0.88%	987
2020-21	14,124	1,571,782	15,067,071	15,067,071	0.96%	947
2019-20	15,903	1,593,335	15,789,087	15,789,087	0.99%	993
2018-19	15,903	1,603,365	16,885,200	16,885,200	1.05%	1,062
2017-18	15,903	1,675,696	18,119,935	18,119,935	1.08%	1,139
2016-17	15,903	1,759,283	17,957,407	17,957,407	1.02%	1,129
2015-16	15,903	1,726,239	44,313,634	44,313,634	2.57%	2,786

(1) Bureau of the Census.

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

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

Table 9

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

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2024-25	\$ 861,445	\$ 728,974	\$ 1,590,419	\$ 64,793,055	2.45%
2023-24	1,160,214	739,542	1,899,756	67,772,348	2.80%
2022-23	1,118,163	762,834	1,880,997	70,786,655	2.66%
2021-22	1,359,931	757,586	2,117,517	72,359,087	2.93%
2020-21	1,648,441	770,931	2,419,372	58,931,825	4.11%
2019-20	1,745,503	798,763	2,544,266	53,339,065	4.77%
2018-19	2,075,584	933,968	3,009,552	52,421,667	5.74%
2017-18	1,923,864	769,632	2,693,496	49,211,840	5.47%
2016-17	27,661,723	989,752	28,651,475	75,660,935	37.87%
2015-16	16,312,703	1,720,325	18,033,028	81,852,108	22.03%

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

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**COMPLIANCE SECTION**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Dickenson, Virginia as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County of Dickenson, Virginia's basic financial statements and have issued our report thereon dated December 10, 2025, modified due to the qualified opinion due to the exclusion of the of the Industrial Development Authority a discretely presented component unit of the County.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002 that we consider to be material weaknesses.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County of Dickenson, Virginia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## County of Dickenson, Virginia's Response to Findings

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

### Purpose of This Report

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

Robinson, Jarmon, Cox, Associates

Blacksburg, Virginia  
December 10, 2025



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

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

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

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

We have audited County of Dickenson, Virginia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of County of Dickenson, Virginia's major federal programs for the year ended June 30, 2025. County of Dickenson, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

County of Dickenson, Virginia's basic financial statements include the operations of the Dickenson County Public Service Authority, which expended \$2,270,089 in federal awards which is not included in the County's schedule of expenditures of federal awards during the year ended June 30, 2025. Our audit, described below, did not include the operations of Dickenson County Public Service Authority because the component unit engaged other auditors to perform an audit of compliance.

In our opinion, County of Dickenson, Virginia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

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

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

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

***Responsibilities of Management for Compliance***

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

***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on County of

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

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

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

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

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

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

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

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

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

*Robinson, Jarmer, Cox, Associates*

Blacksburg, Virginia  
December 10, 2025

County of Dickenson, Virginia  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2025

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number			Federal Expenditures
Department of Health and Human Services:					
Pass Through Payments:					
Office of Children's Services:					
Social Services Block Grant	93.667	Unknown	\$	61,776	
Virginia Department of Social Services:					
Social Services Block Grant	93.667	1000124   1000125		302,145	\$ 363,921
<i>CCDF Cluster:</i>					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760124   0760125			65,791
Guardianship Assistance	93.090	1110124   1110125			557
Title IV-E Kinship Navigator Program	93.471	Unknown			81,156
Title IV-E Prevention Program	93.472	1140124   1140125			11,998
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950123   0950124   0980120			16,380
Refugee and Entrant Assistance - State/Replacement Designee Administered Programs	93.566	500125			536
Low-Income Home Energy Assistance	93.568	0600424   0600425			66,972
Adoption and Legal Guardianship Incentive Payments Program	93.603	1130123			5,480
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900123   0900124			1,330
Foster Care Title IV-E	93.658	1100124   1100125			248,075
Adoption Assistance	93.659	1120124   112012			660,052
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150123   9150124			4,133
Elder Abuse Prevention Interventions Program	93.747	8000321			3,521
Children's Health Insurance Program	93.767	540124			7,578
<i>Medicaid Cluster:</i>					
Medical Assistance Program	93.778	1200124   1200125			604,031
Temporary Assistance for Needy Families (TANF)	93.558	0400124   0400125			322,206
Total Department of Health and Human Service			\$	2,463,717	
Department of Agriculture:					
Pass Through Payments:					
Virginia Department of Education:					
<i>Forest Service Schools and Roads Cluster:</i>					
Schools and Roads - Grants to States	10.665	APE438410000	\$	1,527	
Child Nutrition Discretionary Grants Limited Availability	10.579	DOE868040000			47,378
Child and Adult Care Food Program	10.558	APE700270000/APE700280000			75,908
<i>Child Nutrition Cluster:</i>					
Fresh Fruit and Vegetable Program	10.582	APE402520000	\$	53,005	
School Breakfast Program	10.553	APE402530000		533,211	
Summer Food Service Program for Children	10.559	APE603020000/APE603030000	\$	10,105	
Summer Food Service Program for Children (SFSPC) (Food Commodities)	10.559	Unknown		2,254	12,359
National School Lunch Program	10.555	APE402540000	\$	902,203	
Department of Agriculture:					
Food Distribution (Food Commodities)	10.555	Unknown		165,602	1,067,805 \$ 1,666,380
Virginia Department of Social Services:					
<i>SNAP Cluster:</i>					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	10124   0010125   0040124   0040125			707,472
Total Department of Agriculture			\$	2,498,665	
Department of Housing and Urban Development:					
Pass Through Payments:					
Virginia Department of Housing and Community Development:					
Community Development Block Grants / State's Program and Non-Entitlement Grants in Hawaii	14.228	Unknown	\$	634,764	
Department of Justice:					
Pass Through Payments:					
Office for Victims of Crime:					
Crime Victim Assistance	16.575	15POVC22GG00681ASSI	\$	53,551	
Department of Transportation:					
Pass Through Payments:					
Virginia Department of Motor Vehicles:					
<i>Highway Safety Cluster:</i>					
State and Community Highway Safety	20.600	BOP-2024-54088-24088	\$	3,359	
Alcohol Open Container Requirements	20.607	ENF_AL-2024-54085-24085/ENF_AL-2025-55059-25059			6,596
Total Department of Transportation			\$	9,955	
Department of Defense:					
Pass Through Payments:					
Virginia Department of Education:					
Payments to States in Lieu of Real Estate Taxes	12.112	Unknown	\$	765	

County of Dickenson, Virginia  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2025

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				
Pass Through Payments:				
Department of Education:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	APE452770000/APE452900000	\$ 60,772	
Virginia Department of Elections:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown	43,600	
Virginia Department of Criminal Justice:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown	344,969	449,341
Total Department of the Treasury			<u>\$ 449,341</u>	
Department of Education:				
Pass Through Payments:				
Department of Education:				
Title I Grants to Local Educational Agencies	84.010	APE429010000	\$ 720,404	
<i>Special Education Cluster:</i>				
Special Education Grants to States	84.027	APE430710000	\$ 101,843	
Special Education Preschool Grants	84.173	APE625210000	35,944	137,787
Career and Technical Education - Basic Grants to States	84.048	APE600310000/APE600311005		59,523
Rural Education	84.358	APE434810000		60,368
Supporting Effective Instruction State Grants	84.367	APE614800000		112,863
Student Support and Academic Enrichment Program	84.424	APE601550000/APE600220000		100,813
<i>Education Stabilization Fund:</i>				
COVID-19 - American Rescue Plan - Elementary and Secondary School		APE501930000/APE501890000/APE		
Emergency Relief Fund	84.425U	411120000/APE501830000		694,173
Total Department of Education			<u>\$ 1,885,931</u>	
Department of Homeland Security:				
Pass Through Payments:				
Virginia Department of Emergency Management:				
Emergency Management Performance Grants	97.042	EMP-2023-EP-00006	\$ 7,500	
Total Expenditures of Federal Awards			<u>\$ 8,004,189</u>	
Note 1 -- Basis of Presentation				
The accompanying schedule of expenditures of federal awards includes the federal award activity of County of Dickenson, Virginia and its Component Unit-School Board under programs of the federal government for the year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budgets Uniform Guidance. Because the schedule presents only a selected portion of the operations of the County of Dickenson, Virginia and its Component Unit-School Board, it is not intended to and does not present the financial position, changes in net position, or cash flows of County of Dickenson, Virginia or its Component Unit-School Board.				
Note 2 -- Summary of Significant Accounting Policies				
(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.				
(2) Pass-through entity identifying numbers are presented where available.				
(3) The County did not elect the 15% de minimis indirect cost rate because they only request direct costs for reimbursement.				
Note 3 -- Food Donation				
Nonmonetary assistance is reported in the schedule at the fair market value of commodities received and disbursed.				
Note 4 -- Outstanding Balance of Federal Loans				
The County did not have any loans or loan guarantees which are subject to reporting requirements for the current year.				
Note 5 -- Donated Personal Protective Equipment (PPE) "unaudited":				
The County did not receive any donated items during the year.				
Note 6 -- Subrecipients				
The County did not have any subrecipients for the year ended June 30, 2025.				
Note 7 -- Relationship to the Financial Statements				
Federal expenditures, revenues and capital contributions are reported in the County's basic financial statements as follows:				
Intergovernmental revenues per the basic financial statements:				
Primary government:				
General Fund			\$ 14,674,871	
Less: Revenue from the Commonwealth			(10,305,293)	
Less: Payments in lieu of taxes			(59,203)	
Less: Corps of Engineers Funds Not Subject to Single Audit Requirements			(44,847)	
Total primary government			<u>\$ 4,265,528</u>	
Component Unit School Board:				
School Operating Fund			\$ 3,738,661	
School CIP Fund			221,108	
Less: Corps of Engineers Funds Not Subject to Single Audit Requirements			(221,108)	
Total Component Unit School Board			<u>\$ 3,738,661</u>	
Total federal expenditures per the Schedule of Expenditures of Federal Awards			<u>\$ 8,004,189</u>	

County of Dickenson, Virginia  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2025

**Section I - Summary of Auditors' Results**

Financial Statements

Type of auditors' report issued:

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

Internal control over financial reporting:

Material weakness(es) identified? Yes  
 Significant deficiency(ies) identified? None reported  
 Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? No  
 Significant deficiency(ies) identified? None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section, 200.516 (a)?

No

Identification of major programs:

Federal Assistance Listing #	Name of Federal Program or Cluster
84.425	Education Stabilization Fund
10.553/10.555/10.559/10.582	Child Nutrition Cluster
93.659	Adoption Assistance
93.778	Medical Assistance Program

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

Auditee qualified as low-risk auditee? No

**Section II - Financial Statement Findings**

2025-001	Material Weakness
Criteria:	An auditee should have sufficient expertise in the selection and application of accounting principles used in the preparation of the annual financial report. In addition, the auditee should have sufficient internal controls over the preparation of financial statements in accordance with generally accepted accounting principles.
Condition:	The County's 2025 adjusted trial balance as presented for audit required significant adjusting entries.
Cause:	The County failed to identify all year end accounting adjustments necessary for the financial statements to be prepared in accordance with current reporting standards. The County does not have proper controls in place to detect and correct adjustments in closing their year end financial information.
Effect:	There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected by the County's internal controls over financial reporting.
Recommendation:	Management should continue to implement and follow review procedures to make adjustments in a timely manner.
Management's Response:	Management will make efforts in the future to eliminate material misstatements from its adjusted trial balances presented for audit purposes.

County of Dickenson, Virginia  
 Schedule of Findings and Questioned Costs (continued)  
 For the Year Ended June 30, 2025

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**Section II - Financial Statement Findings (continued)**

<b>2025-002</b>	<b>Material Weakness</b>
Criteria:	The Treasurer's Accountability fund should reconcile to each individual fund.
Condition:	The Treasurer's Accountability fund balances do not agree to the individual funds.
Cause:	Transfers and other items are not appropriately posted to both the individual fund and the Treasurer's Accountability fund. Controls should be in place to ensure that a reconciliation is performed to ensure that balances agree.
Effect:	Balances as reported in the individual funds do not agree to same as reported in the Treasurer's Accountability fund.
Recommendation:	Management should work with the software company to ensure that all entries are posting to the individual funds and the Treasurer's Accountability fund. A reconciliation should be prepared and entries posted so that balances agree.
Management's	Management agrees with the finding and will research the discrepancies and post adjustments as needed to ensure that the individual funds and the Treasurer's Accountability fund are reconciled. Management is also working with Bright to ensure that adjustments to prohibit posting to the Treasurer's Accountability Fund directly and to ensure that dual entries are set up appropriately in the system.

**Section III - Federal Award Findings and Questioned Costs**

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

County of Dickenson, Virginia  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2025

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**2024-001**

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Condition: The County's 2024 adjusted trial balance as presented for audit required significant adjusting entries.

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

Current Status: Finding 2024-001 was repeated in the current year as 2025-001.

**2024-002**

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

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

Current Status: Finding 2024-002 was repeated in the current year as 2025-002.