

COUNTY OF PULASKI, VIRGINIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

County of Pulaski, Virginia
Annual Financial Report
For the Fiscal Year Ended June 30, 2024

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INTRODUCTORY SECTION

COUNTY OF PULASKI, VIRGINIA

Board of Supervisors

Dirk I. Compton, Vice Chairman
Christopher A. Stafford

Laura Walters, Chair

Ashley Edmonds, Clerk

Michael D. Mooney
Jeffrey G. Reeves

County School Board

Gina Paine, Vice Chair
Sabrina Cox

Joshua Taylor, Chair

Teresa Porter, Clerk

Jacob Price
Billy Williams

Social Services Board

Faye Powell Hawkins, Vice Chair
Kathy Bopp

Kimberly Matthews, Chair

Kim Riffey, Clerk

Don Shelor
Michael Mooney

Library Board

T.J. Cox
Carol Smith
Robin Keener
Kathy Weddle

Lynne Clark, Chair

Jennifer Brown
Jan Booker
Laura Walters
Robert Graham (Ex Officio)

COUNTY OF PULASKI, VIRGINIA

Other Officials

Commonwealth’s Attorney Justin L. Griffith
Commissioner of the Revenue Kim Matthews
Treasurer Melinda Worrell
Sheriff Michael W. Worrell
Clerk of the Circuit Court Spencer A. Rygas
Superintendent of Schools Robert Graham
Director of Social Services Guy Smith
County Administrator Jonathan Sweet
County Attorney Timothy Kirtner

FINANCIAL SECTION



Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Pulaski, Virginia ("the County"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and

the *Specifications for Audits of Counties, Cities, and Towns* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Pulaski, Virginia's basic financial statements. The accompanying combining and individual fund financial statements and schedules and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures,

including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2025, on our consideration of the County of Pulaski, 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 Pulaski, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Pulaski, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox, Associates

Blacksburg, Virginia
April 10, 2025

Basic Financial Statements

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

	Primary Government	Component Units		
	Governmental Activities	School Board	Public Service Authority	Economic Development Authority
ASSETS				
Cash and Cash Equivalents	\$ 42,592,348	\$ 9,675,409	\$ 4,553,115	\$ 133,111
Receivables (Net of Allowance for Uncollectibles):				
Taxes	14,744,485	-	-	-
Other Local Taxes and Fees	643,086	-	-	-
Accounts Receivable	250,673	-	1,608,891	22,836
Lease Receivable	134,585	-	-	1,036,167
Note Receivable	15,972	-	-	26,751,465
Loan Receivable	263,867	-	2,006,729	-
Opioid Settlement	1,761,414	-	-	-
Rent Receivable	-	-	-	135,234
Interest Receivable	-	-	-	336,176
Prepaid Items	319,945	1,029,906	24,461	28,873
Due from Primary Government	-	2,318,950	26,292	-
Due from Other Governmental Units	3,126,945	2,004,902	142,237	505
Due from Component Units	377,203	-	-	-
Net Pension Asset	-	406,816	-	-
Restricted Assets:				
Cash and Cash Equivalents	1,756,259	-	374,694	552,062
Capital Assets, Not Being Depreciated/Amortized	15,652,486	5,843,595	1,004,898	2,321,364
Capital Assets, Net of Accumulated Depreciation/Amortization	99,045,664	17,703,719	26,628,237	15,908,055
Total Assets	\$ 180,684,932	\$ 38,983,297	\$ 36,369,554	\$ 47,225,848
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charges on Refunding	\$ 103,016	\$ -	\$ -	\$ -
Pension Related Items	2,677,303	9,411,146	421,899	-
OPEB Related Items	443,935	2,046,915	62,370	-
Total Deferred Outflows of Resources	\$ 3,224,254	\$ 11,458,061	\$ 484,269	\$ -
LIABILITIES				
Accounts Payable	\$ 2,042,244	\$ 956,778	\$ 480,697	\$ 38,173
Accrued Wages	805,625	4,274,240	132,564	-
Customer Deposits	-	-	189,054	19,017
Accrued Interest Payable	574,448	-	18,910	12,328
Due to Component Units	2,345,242	-	-	-
Due to Primary Government	-	127,203	505	250,000
Cash held for others	-	-	-	533,045
Unearned Revenue	91,793	1,262,788	-	16,440
Long-Term Liabilities:				
Due Within One Year	5,238,905	1,411,589	470,990	3,325,460
Due in More Than One Year	45,661,569	35,859,754	11,825,469	27,665,514
Total Liabilities	\$ 56,759,826	\$ 43,892,352	\$ 13,118,189	\$ 31,859,977
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenue - Property Taxes	\$ 11,603,140	\$ -	\$ -	\$ -
Lease Related Items	130,395	-	-	1,009,586
Pension Related Items	1,230,920	3,421,760	204,528	-
OPEB Related Items	565,476	1,548,954	106,929	-
Total Deferred Inflows of Resources	\$ 13,529,931	\$ 4,970,714	\$ 311,457	\$ 1,009,586
NET POSITION				
Net Investment in Capital Assets	\$ 71,941,971	\$ 22,855,286	\$ 17,109,916	\$ 13,395,821
Restricted	5,423,498	510,672	374,694	-
Unrestricted (Deficit)	36,253,960	(21,787,666)	5,939,567	960,464
Total Net Position	\$ 113,619,429	\$ 1,578,292	\$ 23,424,177	\$ 14,356,285

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

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

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	School Board	Public Service Authority	Economic Development Authority
Primary Government:						
Governmental Activities:						
General Government Administration	\$ 1,405,983	\$ 95,640	\$ 955,669			
Judicial Administration	2,858,572	115,752	1,420,651			
Public Safety	18,789,923	1,501,569	4,737,233			
Public Works	6,125,638	63,363	17,867			
Health and Welfare	10,997,833	-	7,830,717			
Education	18,653,498	-	-			
Parks, Recreation and Cultural	3,255,786	239,731	268,255			
Community Development	10,569,082	-	2,000,000			
Interest on long-term debt	1,431,288	-	-			
Total Primary Government	\$ 74,087,603	\$ 2,016,055	\$ 17,230,392	\$ -	\$ -	\$ -
Component Units:						
School Board	\$ 61,439,313	\$ 1,159,846	\$ 49,339,843	\$ (10,939,624)	\$ -	\$ -
Public Service Authority	10,048,513	9,666,480	-	-	106,339	-
Economic Development Authority	7,878,984	1,519,811	19,800	-	-	(5,778,327)
Total Component Units	\$ 79,366,810	\$ 12,346,137	\$ 49,359,643	\$ (10,939,624)	\$ 106,339	\$ (5,778,327)
General Revenues:						
General Property Taxes				\$ -	\$ -	\$ -
Local Sales and Use Taxes						
Consumers' Utility Taxes						
Cigarette Tax						
Business Licenses						
Consumption Taxes						
Motor Vehicle Licenses						
Bank Stock Taxes						
Taxes on Recordation and Wills						
Hotel and Motel Room Taxes						
Restaurant Food Taxes						
Unrestricted Revenues from Use of Money						
Miscellaneous						
Payments from Primary Government						
Grants and Contributions Not Restricted to Specific Programs						
Total General Revenues and Special Items				\$ 39,036,235	\$ -	\$ -
Change in Net Position				\$ 4,902,946	\$ -	\$ -
Net Position - Beginning				\$ 695,969	\$ -	\$ -
Net Position - Ending				\$ 501,584	\$ -	\$ -
				\$ 1,036,058	\$ -	\$ -
				\$ 102,063	\$ -	\$ -
				\$ 616,782	\$ -	\$ -
				\$ 8,083	\$ -	\$ -
				\$ 251,345	\$ -	\$ -
				\$ 560,797	\$ -	\$ -
				\$ 2,090,751	\$ -	\$ -
				\$ 2,535,802	\$ 170,972	\$ 24,648
				\$ 1,295,467	\$ 323,748	\$ 102,620
				\$ 16,368,180	\$ -	\$ 6,301,925
				\$ -	\$ -	\$ -
				\$ 2,392,291	\$ -	\$ -
				\$ 56,026,173	\$ 494,720	\$ 6,429,193
				\$ 25,770,017	\$ 601,059	\$ 650,866
				\$ 87,849,412	\$ 22,823,118	\$ 13,705,419
				\$ 113,619,429	\$ 23,424,177	\$ 14,356,285

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

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

	General	School CIP Fund	County CIP Fund	Total
ASSETS				
Cash and Cash Equivalents	\$ 27,404,575	\$ 524,906	\$ 11,456,808	\$ 39,386,289
Receivables (Net of Allowance for Uncollectibles):				
Taxes	14,744,485	-	-	14,744,485
Other Local Taxes and Fees	643,086	-	-	643,086
Accounts	133,369	-	-	133,369
Loans	15,972	-	-	15,972
Leases	134,585	-	-	134,585
Opioid Settlement	1,761,414	-	-	1,761,414
Due from Other Funds	60,438	294,412	-	354,850
Due from Other Governmental Units	3,126,945	-	-	3,126,945
Prepaid items	182,869	-	31,340	214,209
Due from Component Units	250,000	-	-	250,000
Restricted:				
Cash and cash equivalents	-	1,756,259	-	1,756,259
Total Assets	<u>\$ 48,457,738</u>	<u>\$ 2,575,577</u>	<u>\$ 11,488,148</u>	<u>\$ 62,521,463</u>
LIABILITIES				
Accounts Payable	\$ 1,038,642	\$ -	\$ 443,491	\$ 1,482,133
Accrued Wages	756,671	-	-	756,671
Due to Other Funds	173,622	-	181,228	354,850
Due to Component Units	2,344,556	-	-	2,344,556
Unearned Revenue	91,793	-	-	91,793
Total Liabilities	<u>\$ 4,405,284</u>	<u>\$ -</u>	<u>\$ 624,719</u>	<u>\$ 5,030,003</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	\$ 14,933,915	\$ -	\$ -	\$ 14,933,915
Unavailable Revenue - Opioid Settlement	1,761,414	-	-	1,761,414
Lease Related Items	130,395	-	-	130,395
Total Deferred Inflows of Resources	<u>\$ 16,825,724</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,825,724</u>
FUND BALANCE				
Nonspendable	\$ 182,869	\$ -	\$ 31,340	\$ 214,209
Restricted	1,086,507	2,575,577	-	3,662,084
Committed	-	-	10,832,089	10,832,089
Assigned	2,684,250	-	-	2,684,250
Unassigned	23,273,104	-	-	23,273,104
Total Fund Balances	<u>\$ 27,226,730</u>	<u>\$ 2,575,577</u>	<u>\$ 10,863,429</u>	<u>\$ 40,665,736</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 48,457,738</u>	<u>\$ 2,575,577</u>	<u>\$ 11,488,148</u>	<u>\$ 62,521,463</u>

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

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

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	40,665,736	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.			
Capital assets, not being depreciated	\$	15,652,486	
Capital assets, net of accumulated depreciation/amortization		<u>99,045,664</u>	114,698,150
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.			
Unavailable Revenue - Property Taxes	\$	3,330,775	
Unavailable Revenue - Opioid Settlement		1,761,414	
Loans Receivable		<u>263,867</u>	5,356,056
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The assets and deferred outflows and liabilities and deferred inflows of the internal service funds are included in governmental activities in the Statement of Net Position.			
			2,946,551
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.			
Pension related items	\$	2,677,303	
OPEB related items		<u>443,935</u>	3,121,238
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds			
General Obligation Bonds	\$	(38,545,000)	
Literary Loans		(1,469,153)	
Lease Revenue Notes		(4,092,409)	
Unamortized Bond Premiums		(223,391)	
Unamortized Bond Discounts		311,628	
Landfill Post-Closure Monitoring Costs		(318,979)	
Lease Liabilities		(261,308)	
Subscription Liabilities		(60,909)	
Net Pension Liability		(2,634,184)	
Net OPEB Liabilities		(1,819,009)	
Deferred Charge on Refunding		103,016	
Compensated Absences		(1,787,760)	
Accrued Interest Payable		<u>(574,448)</u>	(51,371,906)
Deferred inflows of resources are not due and payable in the current period, and, therefore, are not reported in the funds.			
Pension related items	\$	(1,230,920)	
OPEB related items		<u>(565,476)</u>	(1,796,396)
Net Position of Governmental Activities	\$		<u><u>113,619,429</u></u>

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

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

	General Fund	School CIP Fund	County CIP Fund	Total
REVENUES				
General Property Taxes	\$ 38,855,885	\$ -	\$ -	\$ 38,855,885
Other Local Taxes	10,766,378	-	-	10,766,378
Permits, Privilege Fees and Regulatory Licenses	147,648	-	-	147,648
Fines and Forfeitures	108,171	-	-	108,171
Revenue from Use of Money and Property	2,536,538	94,434	-	2,630,972
Charges for Services	1,665,066	-	-	1,665,066
Miscellaneous	361,929	141,669	33,819	537,417
Recovered Costs	1,980,935	-	8,007	1,988,942
Intergovernmental	19,622,683	-	-	19,622,683
Total Revenues	<u>\$ 76,045,233</u>	<u>\$ 236,103</u>	<u>\$ 41,826</u>	<u>\$ 76,323,162</u>
EXPENDITURES				
Current:				
General Government Administration	\$ 3,793,591	\$ -	\$ 323,841	\$ 4,117,432
Judicial Administration	2,573,897	-	41,662	2,615,559
Public Safety	16,676,946	-	794,541	17,471,487
Public Works	3,310,476	-	2,460,261	5,770,737
Health and Welfare	10,560,641	-	8,803	10,569,444
Education	16,558,613	-	-	16,558,613
Parks, Recreation and Cultural	2,654,442	-	581,261	3,235,703
Community Development	9,673,161	-	652,913	10,326,074
Non-Departmental	8,388	-	-	8,388
Debt Service:				
Principal Retirement	3,617,592	-	54,536	3,672,128
Interest and Other Fiscal Charges	1,570,557	-	7,640	1,578,197
Total Expenditures	<u>\$ 70,998,304</u>	<u>\$ -</u>	<u>\$ 4,925,458</u>	<u>\$ 75,923,762</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 5,046,929</u>	<u>\$ 236,103</u>	<u>\$ (4,883,632)</u>	<u>\$ 399,400</u>
Other Financing Sources (Uses)				
Transfers In	\$ -	\$ 524,906	\$ 7,691,173	\$ 8,216,079
Transfers Out	(9,310,231)	-	-	(9,310,231)
Issuance of Leases Payable	42,357	-	-	42,357
Total Other Financing Sources (Uses)	<u>\$ (9,267,874)</u>	<u>\$ 524,906</u>	<u>\$ 7,691,173</u>	<u>\$ (1,051,795)</u>
Net Change in Fund Balance	\$ (4,220,945)	\$ 761,009	\$ 2,807,541	\$ (652,395)
Fund Balance - Beginning	31,447,675	1,814,568	8,055,888	41,318,131
Fund Balance - Ending	<u>\$ 27,226,730</u>	<u>\$ 2,575,577</u>	<u>\$ 10,863,429</u>	<u>\$ 40,665,736</u>

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

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

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

Net changes in fund balance - total governmental funds \$ (652,395)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation/amortization expense.

Detail of items supporting these adjustments is as follows:

Capital outlays	\$ 3,974,521	
Depreciation and amortization expenses	(4,982,878)	(1,008,357)

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

Contributions of assets		24,585,000
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Decrease (Increase) in unavailable revenue - property taxes	\$ 180,350	
Decrease (Increase) in unavailable revenue - opioid settlement	780,548	
Decrease (Increase) in unavailable revenue - loans	(22,498)	938,400

The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligation 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 effect of these differences in the treatment of long-term debt and related items.

Debt issued or incurred:		
Lease liabilities	\$ (42,357)	
Principal repayments:		
General obligation bonds	2,355,000	
Literary loans	468,971	
Lease liabilities	100,737	
Subscription liabilities	22,030	
Lease revenue notes	725,390	
Decrease (increase) in estimated liability:		
Landfill post-closure monitoring costs	(10,190)	3,619,581

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

Changes in OPEB related items	\$ 79,572	
Changes in pension related items	117,167	
(Increase) Decrease in compensated absences	10,179	
(Increase) Decrease in accrued interest payable	53,967	
Increase (Decrease) in deferred charge on refunding	(34,339)	
Amortization of bond premiums and discounts	127,281	353,827

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

(2,066,039)

Change in net position of governmental activities

\$ 25,770,017

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

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

	Health Insurance Premiums <u>Fund</u>	Information Technology, Garage, and Communication <u>Service Fund</u>	<u>Total Internal Service Funds</u>
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 3,206,059	\$ -	\$ 3,206,059
Receivables (Net of Allowance for Uncollectibles):			
Accounts Receivable	-	117,304	117,304
Prepaid Items	-	105,736	105,736
Due from Component Units	-	127,203	127,203
	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ 3,206,059	\$ 350,243	\$ 3,556,302
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 40,974	\$ 31,044	\$ 72,018
Accrued Wages	-	48,954	48,954
Due to Component Units	-	686	686
IBNR Payable	488,093	-	488,093
Total Liabilities	<u> </u>	<u> </u>	<u> </u>
	\$ 529,067	\$ 80,684	\$ 609,751
NET POSITION			
Unrestricted	\$ 2,676,992	\$ 269,559	\$ 2,946,551
Total Net Position	<u> </u>	<u> </u>	<u> </u>
	\$ 2,676,992	\$ 269,559	\$ 2,946,551

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

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

	Health Insurance Premiums Fund	Information Technology, Garage, and Communication Service Fund	Total Internal Service Funds
OPERATING REVENUES			
Charges for Services:			
Information Technology Charges	\$ -	\$ 515,272	\$ 515,272
Garage Charges	-	2,090,636	2,090,636
Communication Charges	-	127,736	127,736
Other Revenues:			
Miscellaneous	-	33,288	33,288
Insurance Premiums	9,211,751	-	9,211,751
Total Operating Revenues	<u>\$ 9,211,751</u>	<u>\$ 2,766,932</u>	<u>\$ 11,978,683</u>
OPERATING EXPENSES			
Information Technology	\$ -	\$ 955,650	\$ 955,650
Central Garage	-	2,746,375	2,746,375
Communications	-	126,136	126,136
Insurance Claims and Expenses	11,302,597	-	11,302,597
Miscellaneous	-	8,116	8,116
Total Operating Expenses	<u>\$ 11,302,597</u>	<u>\$ 3,836,277</u>	<u>\$ 15,138,874</u>
Operating Income (Loss)	<u>\$ (2,090,846)</u>	<u>\$ (1,069,345)</u>	<u>\$ (3,160,191)</u>
Transfer In	\$ -	\$ 1,094,152	\$ 1,094,152
Change in Net Position	<u>\$ (2,090,846)</u>	<u>\$ 24,807</u>	<u>\$ (2,066,039)</u>
Net Position - Beginning	<u>4,767,838</u>	<u>244,752</u>	<u>5,012,590</u>
Net Position - Ending	<u>\$ 2,676,992</u>	<u>\$ 269,559</u>	<u>\$ 2,946,551</u>

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

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

	Health Insurance Premiums Fund	Information Technology, Garage, and Communication Service Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Charges to County Department and other organizations	\$ -	\$ 2,720,966	\$ 2,720,966
Other receipts (payments)	-	33,288	33,288
Payments to suppliers for goods and services	-	(3,848,406)	(3,848,406)
Receipts for insurance premiums	9,211,751	-	9,211,751
Payments for insurance premiums	(11,689,038)	-	(11,689,038)
Total cash provided by (used for) operating activities	<u>\$ (2,477,287)</u>	<u>\$ (1,094,152)</u>	<u>\$ (3,571,439)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	\$ -	\$ 1,094,152	\$ 1,094,152
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ (2,477,287)</u>	<u>\$ -</u>	<u>\$ (2,477,287)</u>
Cash and Cash Equivalents - Beginning	\$ 5,683,346	\$ -	\$ 5,683,346
Cash and Cash Equivalents - Ending	<u>\$ 3,206,059</u>	<u>\$ -</u>	<u>\$ 3,206,059</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ (2,090,846)	\$ (1,069,345)	\$ (3,160,191)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
(Increase) Decrease in Accounts Receivable	-	(16,207)	(16,207)
(Increase) Decrease in Due from Other Funds	-	53,151	53,151
(Increase) Decrease in Prepaid Items	-	1,755	1,755
(Increase) Decrease in Due from Component Units	-	(49,622)	(49,622)
Increase (Decrease) in Accounts Payable	\$ (55,361)	\$ (21,615)	\$ (76,976)
Increase (Decrease) in Accrued Wages	-	7,731	7,731
Increase (Decrease) in IBNR Payable	(331,080)	-	(331,080)
Total Adjustments	<u>\$ (386,441)</u>	<u>\$ (24,807)</u>	<u>\$ (411,248)</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ (2,477,287)</u>	<u>\$ (1,094,152)</u>	<u>\$ (3,571,439)</u>

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

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

	Custodial Funds
ASSETS	
Cash and Cash Equivalents	\$ <u><u>263,919</u></u>
NET POSITION	
Restricted:	
Special Welfare	\$ 34,014
Performance Bond	133,370
Employee Flexible Benefits	<u>96,535</u>
Total net position	\$ <u><u>263,919</u></u>

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

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

		<u>Custodial Funds</u>
ADDITIONS		
Contributions:		
Expenditure reimbursement	\$	31,804
Support enforcements		16,524
Benefits reimbursements		32,376
Total contributions	\$	<u>80,704</u>
Total additions	\$	<u>80,704</u>
 DEDUCTIONS		
Special welfare payments	\$	43,757
Refund bonds		13,308
Flexible benefits		28,032
Banking fees		89
Total deductions	\$	<u>85,186</u>
Net increase (decrease) in fiduciary net position	\$	(4,482)
Net position, beginning		<u>268,401</u>
Net position, ending	\$	<u><u>263,919</u></u>

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements
June 30, 2024

Note 1-Summary of Significant Accounting Policies:

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

A. Financial Reporting Entity:

County of Pulaski, Virginia is a political subdivision 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 County's operations.

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. The component units are reported in a separate column to emphasize that they are legally separate from the County.

The Pulaski County School Board operates the elementary and secondary schools in the County. School Board members are elected by popular vote. 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 a separate report.

The Pulaski County Public Service Authority provides water, sewer, and garbage service to County residents. The Public Service Authority is fiscally dependent upon the County because the County has issued several bonds payable by the Authority. In addition, the County Board of Supervisors appoints the Board of Directors. A copy of the Public Service Authority's report can be obtained from the Public Service Authority.

The Pulaski County Economic Development Authority encourages and provides financing for economic development in the County. The Authority is fiscally dependent upon the County. In addition, the Authority's Board is appointed by the County Board of Supervisors. A copy of the Economic Development Authority's report can be obtained from the Economic Development Authority.

Related Organizations - The County Board appoints board members to outside organizations, but the County's accountability for these organizations do not extend beyond making the appointments.

The County along with the Counties of Carroll, Bland, Floyd, Giles, Grayson, and Wythe and the City of Radford participate in supporting the New River Valley Regional Jail Authority. The monthly payment made by the County to the Regional Jail is based on the number of prisoners housed for the County. For the year ended June 30, 2024, the County paid \$2,319,102 for the confinement of prisoners.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

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

A. Financial Reporting Entity: (continued)

The County and the Counties of Montgomery, Giles, Floyd, and the City of Radford participate in supporting New River Valley Community Services (NRVCS). The governing body of this organization is appointed by the respective governing bodies of the participating jurisdictions. The County contributed \$117,000 to NRVCS for the current year.

The County along with Counties in the surrounding area participate in supporting the New River Valley Juvenile Detention Home (NRVJDH). The County contributed \$206,024 to the NRVJDH for the current year.

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 financial position of the primary government (governmental 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.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

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

B. Government-wide and Fund Financial Statements: (continued)

Budgetary comparison schedules demonstrate compliance with the adopted budget. It 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.

The government-wide 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. 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.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

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

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

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.

The County reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for and reports all financial resources of the general government, except those required to be accounted for in other funds. The general fund includes the activities of the Virginia Public Assistance, Prepaid Taxes, Comprehensive Services Act funds, and Debt Service funds for both the County and School Board.

The School CIP fund is reported as one of the County's major *capital projects fund*. The fund accounts for and reports financial resources that are restricted, committed, or assigned to be used for the acquisition and construction of major school capital projects.

The County CIP fund is reported as one of the County's major *capital projects fund*. The fund accounts for and reports financial resources that are restricted, committed, or assigned to be used for the acquisition and construction of major County capital projects as well as acquisitions of other types of capital assets.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

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

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

Additionally, the County reports the following fund types:

Internal service funds (Proprietary funds) account for and report the financing of goods and services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The internal service funds consist of the Information Technology, Garage, and Communication Service Fund and the Health Insurance Premiums Fund.

Fiduciary funds (Trust and Custodial Funds) account for assets held by the government in a trustee capacity or as agent or custodian for individuals, private organizations, other governmental units, or other funds. The Special Welfare, Performance Bond, and Employee Flexible Benefits Funds are reported as custodial 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.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Pulaski County School Board reports the following major funds:

The School Operating Fund accounts for all revenues and expenditures applicable to the general operations of the public school system. Revenues are derived primarily from charges for services, appropriations from County of Pulaski, Virginia and state and federal grants.

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.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

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

D. Assets, Liabilities, Deferred Outflows/inflows of Resources, and Net Position/ Fund Balance:

1. Cash and Cash Equivalents

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

Restricted cash consists of unspent bond proceeds.

2. Investments

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

3. Receivables and Payables

Activities 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 a fund balance nonspendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

4. Property Taxes

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1 of the following year if they remain unpaid. Real estate taxes are payable on June 5th and December 5th. Personal property taxes are due and collectible annually on October 15th. The County bills and collects its own property taxes.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

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

D. Assets, Liabilities, Deferred Outflows/inflows of Resources, and Net Position/Fund Balance: (continued)

5. Allowance for Uncollectible Amounts

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$3,449,232 at June 30, 2024 and is comprised of \$887,778 in real estate taxes delinquent for 20 years and personal property taxes delinquent for 5 years and \$2,561,454 for unpaid ambulance services.

6. Use of Estimates

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

7. 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.

8. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) and are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$20,000 (amount not rounded) and an estimated useful life in excess of one year.

As the government 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 and subscription 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.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

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

D. Assets, Liabilities, Deferred Outflows/inflows of Resources, and Net Position/Fund Balance: (continued)

8. Capital Assets (Continued)

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

Asset Type	Years
Building and Improvements	20-40
Infrastructure	20-40
Machinery and Equipment	4-30
Lease assets - Machinery and Equipment	3-5
Lease assets - Building and Improvements	6
Subscription asset	3-5

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has multiple items that qualify for reporting in this category. One item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Another item is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

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

D. Assets, Liabilities, Deferred Outflows/inflows of Resources, and Net Position/Fund Balance: (continued)

10. Compensated Absences

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

11. Pensions

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

12. Other Postemployment Benefits (OPEB)

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

13. Long-Term Obligations

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

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

D. Assets, Liabilities, Deferred Outflows/inflows of Resources, and Net Position/Fund Balance: (continued)

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.

The County’s highest decision-making level is the Board of Supervisors. Action from the Board of Supervisors is required to commit or release funds from commitment.

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

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

D. Assets, Liabilities, Deferred Outflows/inflows of Resources, and Net Position/Fund Balance: (continued)

15. Net Position

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

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

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

16. Leases and Subscription-Based IT Arrangements

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

Lessor

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

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

D. Assets, Liabilities, Deferred Outflows/inflows of Resources, and Net Position/Fund Balance: (continued)

16. Leases and Subscription-Based IT Arrangements (continued)

Lessee

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

Subscriptions

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

Key Estimates and Judgments

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

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

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 April 1st, 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. All non-fiduciary funds have legally adopted budgets.
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 functional 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 subcategories.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds, and the General Capital Projects Fund, as applicable. The School Fund and School Capital Projects Fund are integrated only at the level of legal adoption.
6. All budgets are adopted on a modified accrual basis.
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. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances (those for which performance under executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

B. Excess of Expenditures Over Appropriations:

Expenditures exceeded appropriations for the School Board Governor's School fund during fiscal year 2024.

C. Deficit Fund Balance:

At June 30, 2024, there were no funds that had a deficit fund balance.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 3- Deposits and Investments:

Deposits:

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

Investments:

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

Interest Rate Risk:

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

Investment Maturities (in years)

Investment Type	Fair Value	Net Asset Value	
		(NAV)	1 Year
LGIP	\$ 127,309	\$ -	\$ 127,309
SNAP	1,756,259	-	1,756,259
VML/VACo Investment Pool	-	3,440,646	3,440,646
Total	\$ 1,883,568	\$ 3,440,646	\$ 5,324,214

Custodial Credit Risk (Investments):

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

County's Rated Debt Investments' Values

Rated Debt Investments	Ratings	
	AAAm	
LGIP	\$	127,309
SNAP		1,756,259
VML/VACo Investment Pool		3,440,646
Total	\$	5,324,214

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 3- Deposits and Investments: (continued)

External Investment Pools

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

Redemption Restrictions

VML/VACO Virginia Investment Pool allows the County to have the option to have access to withdraw funds twice a month, with a five-day period notice. Additionally, funds are available to meet unexpected needs such as fluctuations in revenue sources, one-time outlays (disasters, immediate capital needs, state budget cuts, and etc.).

Note 4- Due From Other Governmental Units:

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

	Primary Government	Component Unit- School Board
Local governments:		
Town of Dublin	\$ 203,853	\$ -
City of Radford	39,320	-
Town of Pulaski	104,225	-
Commonwealth of Virginia:		
State sales tax	856,480	945,948
Communication sales tax	84,487	-
Other taxes	47,584	-
Categorical aid-shared expenses	358,876	-
Categorical aid-other	168,904	-
Categorical aid-VPA funds	176,314	-
Categorical aid-CSA funds	666,520	-
Federal Government:		
Categorical aid-VPA funds	265,344	-
Categorical aid-other	155,038	1,058,954
Totals	\$ 3,126,945	\$ 2,004,902

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 5- Interfund Balances and Transfers:

Fund/Unit	Due from	Due to
Primary Government internal balances:		
General Fund	\$ 60,438	\$ 173,622
County CIP Fund	-	181,228
School CIP Fund	294,412	-
Subtotal Primary Government internal balances	\$ 354,850	\$ 354,850
 Primary Government and Component Units balances:		
Primary Government	377,203	2,345,242
School Operating Fund	2,318,950	127,203
Economic Development Authority	505	250,000
Public Service Authority	26,292	505
Total	\$ 3,077,800	\$ 3,077,800
	Transfers in	Transfers out
Primary Government:		
General Fund	\$ -	\$ 9,310,231
County CIP Fund	7,691,173	-
School CIP Fund	524,906	-
Information Technology, Garage, and Communication Service Fund	1,094,152	-
Total	\$ 9,310,231	\$ 9,310,231
 Component Unit - School Board:		
School Operating Fund	\$ -	\$ 281,655
School Activity Fund	281,655	-
Total	\$ 281,655	\$ 281,655

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 6- Long-Term Obligations:

Primary Government- Governmental Activities Indebtedness:

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

	<u>Beginning Balance</u>	<u>Increases/ Issuances</u>	<u>Decreases/ Retirements</u>	<u>Ending Balance</u>
Direct Borrowings and Placements:				
General obligation bonds	\$ 3,220,000	\$ -	\$ 410,000	\$ 2,810,000
Literary loans	1,938,124	-	468,971	1,469,153
Lease revenue notes	4,817,799	-	725,390	4,092,409
Unamortized bond premiums	100,227	-	19,444	80,783
General obligation bonds	37,680,000	-	1,945,000	35,735,000
Unamortized bond premiums	279,231	-	136,623	142,608
Unamortized bond discounts	(340,414)	-	(28,786)	(311,628)
Lease liabilities	319,688	42,357	100,737	261,308
Subscription liabilities	82,939	-	22,030	60,909
Landfill post-closure monitoring costs	308,789	10,190	-	318,979
Net OPEB liabilities	1,916,579	463,603	561,173	1,819,009
Net pension liability	642,417	7,517,505	5,525,738	2,634,184
Compensated absences	1,797,939	1,338,275	1,348,454	1,787,760
Total	<u>\$ 52,763,318</u>	<u>\$ 9,371,930</u>	<u>\$ 11,234,774</u>	<u>\$ 50,900,474</u>

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 6- Long-Term Obligations: (continued)

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

Year Ending June 30,	Direct Borrowings and Placements		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2025	1,662,781	275,595	2,045,000	1,146,018
2026	1,710,415	221,300	2,145,000	1,043,768
2027	1,772,396	164,586	2,220,000	968,693
2028	1,289,037	105,582	2,290,000	902,093
2029	1,006,529	59,179	2,355,000	833,393
2030-2034	930,404	43,220	12,885,000	3,063,118
2035-2038	-	-	11,795,000	962,443
Totals	<u>\$ 8,371,562</u>	<u>\$ 869,462</u>	<u>\$ 35,735,000</u>	<u>\$ 8,919,526</u>

Year Ending June 30,	Lease Liabilities		Subscription Liabilities	
	Principal	Interest	Principal	Interest
2025	91,477	11,738	22,806	1,471
2026	75,648	7,381	23,609	997
2027	68,649	3,679	14,494	507
2028	18,543	1,371	-	-
2029	6,991	289	-	-
Totals	<u>\$ 261,308</u>	<u>\$ 24,458</u>	<u>\$ 60,909</u>	<u>\$ 2,975</u>

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 6- Long-Term Obligations: (continued)

Details of long-term obligations:

	Interest Rates	Issue Date	Final Maturity Date	Amount of Original Issue	Balance Governmental Activities	Amount Due Within One Year
Direct Borrowings and Placements:						
General obligation bonds (B):						
GO bond	3.175-4.05%	1/13/2010	2030	7,465,000	\$ 2,810,000	\$ 425,000
Unamortized bond premium	n/a	1/13/2010	2030	40,136	11,035	2,007
Total general obligation bonds					<u>\$ 2,821,035</u>	<u>\$ 427,007</u>
Literary loans:						
Literary loan	2.00%	5/2/2016	2027	4,987,173	\$ 1,469,153	\$ 481,706
Lease revenue notes:						
School lease revenue note	5.10%	5/15/2008	2029	5,255,000	\$ 1,855,000	\$ 335,000
Lease revenue note (A)	2.47-3.25%	12/6/2013	2027	321,054	88,226	28,686
Lease revenue note (A)	2.37%	6/15/2016	2028	3,443,000	1,258,000	303,400
Landfill sewer line revenue note	3.30%	3/5/2014	2034	1,842,628	891,183	88,989
Subtotal lease revenue notes					<u>\$ 4,092,409</u>	<u>\$ 756,075</u>
Unamortized bond premium	n/a	5/15/2008	2029	348,754	69,748	17,437
Total lease revenue notes					<u>\$ 4,162,157</u>	<u>\$ 773,512</u>
Total Direct Borrowings and Placements					<u>\$ 8,452,345</u>	<u>\$ 1,682,225</u>
General obligation bonds (B):						
GO bond	3.00-5.00%	3/1/2018	2038	46,240,000	\$ 35,735,000	\$ 2,045,000
Unamortized bond premium	n/a	3/1/2018	2029	1,739,614	142,608	85,363
Unamortized bond discount	n/a	3/1/2018	2038	(484,342)	(311,628)	(28,786)
Total general obligation bonds					<u>\$ 35,565,980</u>	<u>\$ 2,101,577</u>
Lease Liabilities:						
Vehicle 1	7.53%	12/1/2019	2024	29,354	\$ 2,870	\$ 2,870
Vehicle 2	7.46%	12/1/2019	2024	29,402	2,871	2,871
Vehicle 3	7.46%	12/1/2019	2024	29,402	2,871	2,871
Vehicle 4	7.46%	12/1/2019	2024	29,402	2,871	2,871
Vehicle 5	7.46%	12/1/2019	2024	29,402	2,871	2,871
Vehicle 6	6.97%	9/1/2020	2025	28,271	7,458	6,355
Vehicle 7	7.10%	4/1/2021	2026	25,635	9,961	5,540
Vehicle 8	10.75%	2/1/2022	2027	26,513	15,317	5,433
Vehicle 9	8.13%	1/1/2022	2026	31,019	16,960	6,375
Vehicle 10	10.90%	3/6/2024	2029	42,357	39,829	6,925
Building 1	3.00%	9/1/2021	2028	274,350	157,429	46,495
Total lease liabilities					<u>\$ 261,308</u>	<u>\$ 91,477</u>
Subscription Liabilities:						
Rave Mobile Safety	3.50%	7/1/2022	2026	36595	\$ 18,882	\$ 9,276
King Moore	3.50%	12/1/2022	2027	70101	42,027	13,530
Total subscription liabilities					<u>\$ 60,909</u>	<u>\$ 22,806</u>
Other obligations:						
Landfill post-closure monitoring cost	n/a	n/a	n/a	n/a	\$ 318,979	\$ -
Net OPEB liabilities	n/a	n/a	n/a	n/a	1,819,009	-
Net pension liability	n/a	n/a	n/a	n/a	2,634,184	-
Compensated absences	n/a	n/a	n/a	n/a	1,787,760	1,340,820
Total other obligations					<u>\$ 6,559,932</u>	<u>\$ 1,340,820</u>
Totals					<u>\$ 50,900,474</u>	<u>\$ 5,238,905</u>

(A) In the event of default, the entire unpaid principal and interest may be declared as due and payable.

(B) In the event of default, the Commonwealth can withhold funding and apply a sufficient portion of the amount withheld to the defaulted principal and interest.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

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

Discretely Presented Component Unit- School Board-Long-term Obligations:

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

	Beginning Balance	Increases	Decreases	Ending Balance
Net OPEB liabilities	\$ 8,395,137	\$ 1,920,228	\$ 1,761,779	\$ 8,553,586
Net pension liability (A)	23,983,340	13,268,903	10,416,604	26,835,639
Compensated absences	1,811,468	1,429,251	1,358,601	1,882,118
Total	\$ 34,189,945	\$ 16,618,382	\$ 13,536,984	\$ 37,271,343

(A) Non-Instructional is a net pension asset as of June 30, 2024; therefore, ending balance is not reported above.

Details of Long-Term Obligations:

	Interest Rates	Issue Date	Final Maturity Date	Amount of Original Issue	Balance Governmental Activities	Amount Due Within One Year
Other obligations:						
Net OPEB liabilities	n/a	n/a	n/a	n/a	\$ 8,553,586	\$ -
Net pension liability	n/a	n/a	n/a	n/a	26,835,639	-
Compensated absences	n/a	n/a	n/a	n/a	1,882,118	1,411,589
Total other obligations					\$ 37,271,343	\$ 1,411,589

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 8-Pension Plan:

Plan Description

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

Benefit Structures

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 8-Pension Plan: (continued)

Average Final Compensation and Service Retirement Multiplier

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

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

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

Contributions

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

The County of Pulaski and the PSA's contractually required employer contribution rate for the year ended June 30, 2024 was 9.11% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan were \$1,385,866 and \$1,242,091 for the County and \$202,170 and \$199,160 for the PSA for the years ended June 30, 2024 and June 30, 2023, respectively.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 8-Pension Plan: (continued)

Net Pension Liability (Asset)

At June 30, 2024, the County and PSA reported a liability (asset) of \$2,634,184 and \$422,373, respectively, for their proportionate share of the net pension liability. The County and PSA's net pension liability (asset) was measured as of June 30, 2023. The total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. In order to allocate the net pension liability (asset) to all employers included in the plan, the County and PSA are required to determine their proportionate share of the net pension liability (asset). Creditable compensation as of June 30, 2023 and 2022 was used as a basis for allocation to determine the County's proportionate share of the net pension liability (asset). At June 30, 2023 and 2022, the County's proportion was 86.5672% and 85.3120%, respectively. At June 30, 2023 and 2022, the PSA's proportion was 12.6284% and 13.9183%, respectively.

Actuarial Assumptions - General Employees

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 8-Pension Plan: (continued)

Actuarial Assumptions - General Employees (Continued)

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 8-Pension Plan: (continued)

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

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

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 8-Pension Plan: (continued)

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

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

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

Long-Term Expected Rate of Return

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 8-Pension Plan: (continued)

Long-Term Expected Rate of Return (continued)

The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 8-Pension Plan: (continued)

Discount Rate

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

Sensitivity of the County and PSA's Proportionate Shares of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the County and PSA's proportionate share of the net pension liability (asset) using the discount rate of 6.75%, as well as what the County and PSA'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	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County's proportionate share of the County Retirement Plan Net Pension Liability (Asset)	\$ 10,633,428	\$ 2,634,184	\$ (3,992,631)
PSA's proportionate share of the County Retirement Plan Net Pension Liability (Asset)	\$ 1,704,999	\$ 422,373	\$ (640,192)

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 8-Pension Plan: (continued)

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

For the year ended June 30, 2024, the County and PSA recognized pension expense of \$1,345,772 and \$209,181, 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.

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

	Primary Government		Component Unit Pulaski County PSA	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,291,437	\$ 341,232	\$ 207,073	\$ 55,671
Net difference between projected and actual earnings on pension plan investments	-	884,406	-	148,857
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	5,282	12,656	-
Employer contributions subsequent to the measurement date	1,385,866	-	202,170	-
Total	\$ 2,677,303	\$ 1,230,920	\$ 421,899	\$ 204,528

\$1,385,866 and \$202,170 is reported as deferred outflows of resources related to pensions resulting from the County and PSA contributions subsequent to the measurement date, will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit Pulaski County PSA
2025	\$ (309,737)	\$ (42,389)
2026	(458,447)	(76,997)
2027	799,990	129,983
2028	28,711	4,604

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 8-Pension Plan: (continued)

Pension Plan Data

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

Component Unit School Board (Nonprofessional)

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

Employees Covered by Benefit Terms

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

	<u>Component Unit School Board (Nonprofessional)</u>
Inactive members or their beneficiaries currently receiving benefits	96
Inactive members:	
Vested inactive members	20
Non-vested members	84
Inactive members active elsewhere in VRS	<u>31</u>
Total inactive members	135
Active members	<u>91</u>
Total covered employees	<u><u>322</u></u>

Contributions

The Component Unit School Board's contractually required contribution rate for nonprofessional employees for the year ended June 30, 2024 was 4.21% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$100,280 and \$98,639 for the years ended June 30, 2024 and June 30, 2023, respectively.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 8-Pension Plan: (continued)

Component Unit School Board (Nonprofessional) (continued)

Net Pension Liability (Asset)

The net pension liability (asset) (NPLA) 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 (asset) was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023.

Changes in Net Pension Liability (Asset)

	Component School Board (Nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
	\$	\$	\$
Balances at June 30, 2022	12,361,649	13,034,063	(672,414)
Changes for the year:			
Service cost	\$ 245,647	\$ -	\$ 245,647
Interest	827,709	-	827,709
Differences between expected and actual experience	235,630	-	235,630
Contributions - employer	-	98,322	(98,322)
Contributions - employee	-	126,733	(126,733)
Net investment income	-	826,452	(826,452)
Benefit payments, including refunds	(689,873)	(689,873)	-
Administrative expenses	-	(8,450)	8,450
Other changes	-	331	(331)
Net changes	<u>\$ 619,113</u>	<u>\$ 353,515</u>	<u>\$ 265,598</u>
Balances at June 30, 2023	<u>\$ 12,980,762</u>	<u>\$ 13,387,578</u>	<u>\$ (406,816)</u>

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 8-Pension Plan: (continued)

Component Unit School Board (Nonprofessional) (continued)

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Component Unit School Board (Nonprofessional)			
Net Pension Liability (Asset)	\$ 1,149,583	\$ (406,816)	\$ (1,789,767)

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

For the year ended June 30, 2024, the Component Unit School Board (nonprofessional) recognized pension expense of \$(24,251). At June 30, 2024, the Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Component Unit School Board (Nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 108,262	\$ -
Net difference between projected and actual earnings on pension plan investments	-	216,742
Employer contributions subsequent to the measurement date	100,280	-
Total	<u>\$ 208,542</u>	<u>\$ 216,742</u>

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 8-Pension Plan: (continued)

Component Unit School Board (Nonprofessional) (continued)

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

\$100,280 reported as deferred outflows of resources related to pensions resulting from the Component Unit School Board's (nonprofessional) contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended	Component Unit
June 30	School Board
	Nonprofessional
2025	\$ (44,960)
2026	(259,700)
2027	188,703
2028	7,477

Component Unit School Board (Professional)

Plan Description

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Retirement Plan upon employment. This is a cost-sharing multiple employer plan administered by the Virginia Retirement System (the system).

Additional information regarding the plan description is included in the first section of this note.

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2024 was 16.62% of covered employee compensation. This was the General Assembly approved rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board were \$4,274,549 and \$4,191,222 for the years ended June 30, 2024 and June 30, 2023, respectively.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 8-Pension Plan: (continued)

Component Unit School Board (Professional) (continued)

Contributions (continued)

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

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

At June 30, 2024, the school division reported a liability of \$26,835,639 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion was 0.2655% as compared to 0.2519% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized pension expense of \$2,554,916. 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 PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 8-Pension Plan: (continued)

Component Unit School Board (Professional) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

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

	Component Unit School Board (Professional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,305,204	\$ 1,047,241
Net difference between projected and actual earnings on pension plan investments	-	1,744,858
Change in assumptions	1,216,554	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,406,297	412,919
Employer contributions subsequent to the measurement date	4,274,549	-
Total	\$ 9,202,604	\$ 3,205,018

\$4,274,549 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30	Component Unit School Board Professional
2025	\$ (416,925)
2026	(1,163,615)
2027	2,554,500
2028	749,077

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 8-Pension Plan: (continued)

Component Unit School Board (Professional) (continued)

Actuarial Assumptions

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

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

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 8-Pension Plan: (continued)

Component Unit School Board (Professional) (continued)

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

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

Net Pension Liability

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

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

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 8-Pension Plan: (continued)

Component Unit School Board (Professional) (continued)

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$ 47,570,017	\$ 26,835,639	\$ 9,790,275

Pension Plan Fiduciary Net Position

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

Primary Government and Component Units

Aggregate Pension Information

	Primary Government				Component Unit Pulaski County PSA			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:								
Primary Government	\$ 2,677,303	\$ 1,230,920	\$ 2,634,184	\$ 1,345,772	\$ -	\$ -	\$ -	\$ -
Component Unit Pulaski County PSA	-	-	-	-	421,899	204,528	422,373	209,181
Totals	<u>\$ 2,677,303</u>	<u>\$ 1,230,920</u>	<u>\$ 2,634,184</u>	<u>\$ 1,345,772</u>	<u>\$ 421,899</u>	<u>\$ 204,528</u>	<u>\$ 422,373</u>	<u>\$ 209,181</u>
	Component Unit School Board							
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense				
VRS Pension Plans:								
School Board Nonprofessional	\$ 208,542	\$ 216,742	\$ (406,816)	\$ (24,251)				
School Board Professional	9,202,604	3,205,018	26,835,639	2,554,916				
Totals	<u>\$ 9,411,146</u>	<u>\$ 3,421,760</u>	<u>\$ 26,428,823</u>	<u>\$ 2,530,665</u>				

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 9-Other Postemployment Benefits - Health Insurance:

In addition to the pension benefits described in Note 8, the County and School Board administer the Pulaski Post-Retirement Medical Plan (the Plan), which is a single-employer defined benefit healthcare plan. Several entities participate in the defined benefit healthcare plan through the County of Pulaski, Virginia and the participating entities report their proportionate information on the basis of a cost-sharing plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the County's and School Board's pension plans. The plan does not issue a publicly available financial report.

Benefits Provided

The Plan provides health insurance benefits to eligible retirees and their spouses. To be eligible, employees must meet the age and service criteria for immediate retirement benefits under VRS, which requires that the employee be age 50 with 10 years of service or permanently, totally disabled and injured in the line of duty. Additionally, the employee must be of full-time status in VRS and must be covered by the active plan at the time of retirement or disability. The benefit provisions, including employer and employee contributions, are governed by the County and can be amended through County action.

Contributions

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County Board. The amount paid by the County, PSA and School Board for OPEB as the benefits came due during the year ended June 30, 2024 was \$48,357, \$5,306, and \$168,737, respectively.

Total OPEB Liability

At June 30, 2024, the County, PSA, and School Board reported a liability of \$1,065,400, \$116,900 and \$3,717,600 respectively, for its proportionate share of the total OPEB liability. The total OPEB liability was measured as of July 1, 2023. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. At June 30, 2023 and 2022, the County's proportion was 21.74% and 24.13%, respectively, the PSA's proportion was 2.39% and 2.62%, respectively, and the School Board's proportion was 75.87% and 73.25%, respectively.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 9-Other Postemployment Benefits - Health Insurance: (continued)

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:

Actuarial Cost Method	Entry Age Actuarial Cost Method
Discount Rate	3.86%
Healthcare Trend Rate	County and School: 6.50% for fiscal year end 2024, decreasing 0.25% per year to an ultimate rate of 5.00%
Salary Scale	2.50%

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

The actuarial assumptions used in the July 1, 2023 valuation were based on July 1, 2023 valuation data. The methods, assumptions, and participant data used can be found in the July 1, 2023 actuarial valuation report.

Discount Rate

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

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

The following amounts present the total OPEB liability of the County, PSA, and School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.69%) or one percentage point higher (4.69%) than the current discount rate:

	Rate		
	1% Decrease (2.69%)	Current Discount (3.69%)	1% Increase (4.69%)
Proportionate share of the healthcare total OPEB liability:			
County	\$ 1,168,224	\$ 1,065,400	\$ 971,621
Component Unit Pulaski County PSA	\$ 128,182	\$ 116,900	\$ 106,610
Component Unit School Board	\$ 4,076,394	\$ 3,717,600	\$ 3,390,369

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 9-Other Postemployment Benefits - Health Insurance: (continued)

Sensitivity of the Employer's Proportionate Share of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	Rate		
	1% Decrease	Current Trend	1% Increase
Proportionate share of the healthcare total OPEB liability:			
County	\$ 934,897	\$ 1,065,400	\$ 1,219,451
Component Unit Pulaski County PSA	\$ 102,581	\$ 116,900	\$ 133,803
Component Unit School Board	\$ 3,262,222	\$ 3,717,600	\$ 4,255,146

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

For the year ended June 30, 2024, the County, PSA, and School Board recognized OPEB expense in the amount of \$35,800, (\$18,500) and \$289,400, respectively. At June 30, 2024, the County, PSA and School Board reported the following deferred outflows of resources and deferred inflows of resources related to OPEB:

	Primary Government		Component Unit Pulaski County PSA		Component Unit School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 18,900	\$ 247,400	\$ 1,900	\$ 69,500	\$ 457,000	\$ 345,700
Changes in assumptions	126,900	212,500	16,400	20,500	364,500	566,200
Employer contributions subsequent to the measurement date	48,357	-	5,306	-	168,737	-
Total	\$ 194,157	\$ 459,900	\$ 23,606	\$ 90,000	\$ 990,237	\$ 911,900

\$48,357, \$5,306, and \$168,737 were reported as deferred outflows of resources related to OPEB resulting from the County's, PSA's, and Component Unit School Board's, respectively, contributions subsequent to the measurement date and will be recognized as reduction of the Total OPEB liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized OPEB expense as follows:

Year Ended June 30	Primary Government	Component Unit Pulaski County PSA	Component Unit School Board
2025	\$ (75,100)	\$ (30,400)	\$ (30,900)
2026	(81,900)	(19,900)	(18,100)
2027	(74,800)	(12,900)	(23,600)
2028	(40,300)	(3,100)	(17,500)
2029	(26,900)	(3,200)	(3,700)
Thereafter	(15,100)	(2,200)	3,400

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 10-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 Program OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

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

Benefit Amounts

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

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 10-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Contributions (continued)

Each employer's contractually required employer contribution rate for the year ended June 30, 2024, was 0.54% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability.

Contributions to the Group Life Insurance Plan from the County were \$89,107 and \$79,911 for the years ended June 30, 2024 and June 30, 2023, respectively.

Contributions to the Group Life Insurance Plan from the Component Unit Pulaski County PSA were \$13,002 and \$12,816 for the years ended June 30, 2024 and June 30, 2023, respectively.

Contributions to the Group Life Insurance Plan from the Component Unit-School Board (Nonprofessional) were \$16,157 and \$15,221 for the years ended June 30, 2024 and June 30, 2023, respectively.

Contributions to the Group Life Insurance Plan from the Component Unit-School Board (Professional) were \$146,666 and \$143,111 for the years ended June 30, 2024 and June 30, 2023, respectively.

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

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

At June 30, 2024, the County reported a liability of \$753,609 for its proportionate share of the Net GLI OPEB Liability.

At June 30, 2024, the Component Unit Pulaski County PSA reported a liability of \$120,836 for its proportionate share of the Net GLI OPEB Liability.

At June 30, 2024, the Component Unit-School Board (Nonprofessional) reported a liability of \$143,558 for its proportionate share of the Net GLI OPEB Liability.

At June 30, 2024, the Component Unit-School Board (Professional) reported a liability of \$1,349,348 for its proportionate share of the Net GLI OPEB Liability.

The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 10-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

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

At June 30, 2023, the County's proportion was 0.06284% as compared to 0.06226% at June 30, 2022.

At June 30, 2023, the Component Unit Pulaski County PSA's proportion was 0.01008% as compared to 0.01016% at June 30, 2022.

At June 30, 2023, the Component Unit-School Board (Nonprofessional) proportion was 0.01197% as compared to 0.01150% at June 30, 2022.

At June 30, 2023, the Component Unit-School Board (Professional) proportion was 0.11251% as compared to 0.10816% at June 30, 2022.

For the year ended June 30, 2024, the County recognized GLI OPEB expense of \$56,837. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

For the year ended June 30, 2024, the Component Unit Pulaski County PSA recognized GLI OPEB expense of \$9,113. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

For the year ended June 30, 2024, the Component-Unit School Board (Nonprofessional) recognized GLI OPEB expense of \$5,144. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

For the year ended June 30, 2024, the Component-Unit School Board (Professional) recognized GLI OPEB expense of \$44,012. 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.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 10-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

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

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

	Primary Government		Component Unit Pulaski County PSA		Component Unit School Board (Nonprofessional)		Component Unit School Board (Professional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 75,268	\$ 22,876	\$ 12,068	\$ 3,668	\$ 14,338	\$ 4,358	\$ 134,767	\$ 40,960
Change in assumptions	16,108	52,213	2,583	8,372	3,069	9,946	28,843	93,488
Net difference between projected and actual earnings on GLI OPEB plan investments	-	30,284	-	4,856	-	5,769	-	54,224
Changes in proportionate share	69,295	203	11,111	33	8,298	4,871	68,742	42,922
Employer contributions subsequent to the measurement date	89,107	-	13,002	-	16,157	-	146,666	-
Total	\$ 249,778	\$ 105,576	\$ 38,764	\$ 16,929	\$ 41,862	\$ 24,944	\$ 379,018	\$ 231,594

\$89,107, \$13,002, \$16,157, and \$146,666 reported as deferred outflows of resources related to the GLI OPEB resulting from the County's, Component Unit Pulaski County PSA's, Component-Unit School Board (Nonprofessional)'s, and Component-Unit School Board (Professional)'s, respectively, contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit-		
		Component Unit Pulaski County PSA	School Board (Non-professional)	Component Unit-School Board (Professional)
2025	\$ 15,454	\$ 2,477	\$ (1,125)	\$ (18,667)
2026	(11,700)	(1,876)	(5,844)	(54,907)
2027	29,199	4,682	3,220	35,369
2028	13,777	2,209	2,118	16,581
2029	8,365	1,341	2,392	22,382

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 10-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Actuarial Assumptions

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

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

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 10-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Actuarial Assumptions (Continued)

Mortality Rates - Teachers (Continued)

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 10-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Actuarial Assumptions (Continued)

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

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 - Hazardous Duty Employees

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 10-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Actuarial Assumptions (Continued)

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

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

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

NET GLI OPEB Liability

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

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 10-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Long-Term Expected Rate of Return

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

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

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 10-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2023, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed to continue to contribute 113% 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:

Proportionate share of the GLI Plan Net OPEB Liability:	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County	\$ 1,117,086	\$ 753,609	\$ 459,739
Component Unit Pulaski County PSA	\$ 179,117	\$ 120,836	\$ 73,715
Component Unit-School Board (Nonprofessional)	\$ 212,798	\$ 143,558	\$ 87,577
Component Unit-School Board (Professional)	\$ 2,000,155	\$ 1,349,348	\$ 823,166

GLI Plan Fiduciary Net Position

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 11-Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2024 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$328,641 and \$320,674 for the years ended June 30, 2024 and June 30, 2023, respectively.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 11-Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Contributions (Continued)

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

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

At June 30, 2024, the school division reported a liability of \$3,219,826 for its proportionate share of the VRS Teacher Employee HIC Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2023 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC Program OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion of the VRS Teacher Employee HIC Plan was 0.26580% as compared to 0.25240% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized VRS Teacher Employee HIC OPEB expense of \$225,413. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 141,721
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	1,616	-
Change in assumptions	74,952	3,245
Change in proportionate share and differences between actual and expected contributions	184,122	128,546
Employer contributions subsequent to the measurement date	328,641	-
Total	\$ 589,331	\$ 273,512

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 11-Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Teacher Employee HICOPEB 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)

\$328,641 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2025	\$ (35,373)
2026	(23,494)
2027	2,463
2028	11,060
2029	16,749
Thereafter	15,773

Actuarial Assumptions

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 11-Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 11-Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Net Teacher Employee HIC OPEB Liability

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

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

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

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:

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 11-Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return (continued)

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

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

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

Discount Rate

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 11-Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 3,641,983	\$ 3,219,826	\$ 2,862,085

Teacher Employee HIC OPEB Fiduciary Net Position

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

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

Plan Description

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

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 PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

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

Employees Covered by Benefit Terms

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

	Number
Inactive members or their beneficiaries currently receiving benefits	20
Inactive members:	
Vested inactive members	2
Inactive members active elsewhere in VRS	32
Total inactive members	34
Active members	90
Total covered employees	144

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The Component Unit School Board’s contractually required employer contribution rate for the year ended June 30, 2024 was 1.01% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Component Unit School Board to the HIC Plan were \$30,055 and \$28,316 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net HIC OPEB Liability

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

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

Actuarial Assumptions

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

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

Actuarial Assumptions (continued)

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

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

Actuarial Assumptions (continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

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

Long-Term Expected Rate of Return

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

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

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

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

Discount Rate

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

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 291,771	\$ 32,700	\$ 259,071
Changes for the year:			
Service cost	\$ 2,288	\$ -	\$ 2,288
Interest	19,556	-	19,556
Differences between expected and actual experience	(126,665)	-	(126,665)
Contributions - employer	-	28,315	(28,315)
Net investment income	-	2,765	(2,765)
Benefit payments	(8,677)	(8,677)	-
Administrative expenses	-	(84)	84
Net changes	\$ (113,498)	\$ 22,319	\$ (135,817)
Balances at June 30, 2023	\$ 178,273	\$ 55,019	\$ 123,254

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's Net HIC OPEB Liability	\$ 142,986	\$ 123,254	\$ 106,569

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

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

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

For the year ended June 30, 2024, the Component Unit School Board recognized HIC Plan OPEB expense of (\$9,551). At June 30, 2024, the Component Unit School Board reported deferred outflows of resources and deferred inflows of resources related to the Component Unit School Board’s HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 107,004
Net difference between projected and actual earnings on HIC OPEB plan investments	576	-
Change in assumptions	15,836	-
Employer contributions subsequent to the measurement date	30,055	-
Total	\$ 46,467	\$ 107,004

\$30,055 reported as deferred outflows of resources related to the HIC OPEB resulting from the Component Unit School Board’s contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ended June 30	
2025	\$ (28,612)
2026	(29,533)
2027	(30,596)
2028	(1,851)

HIC Plan Data

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 13-Aggregate OPEB Information:

	Primary Government				Component Unit Pulaski County PSA			
	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense
VRS Group Life Insurance Plan	\$ 249,778	\$ 105,576	\$ 753,609	\$ 56,837	\$ 38,764	16,929	120,836	9,113
County Stand-Alone Plan	194,157	459,900	1,065,400	35,800	23,606	90,000	116,900	(18,500)
Totals	<u>\$ 443,935</u>	<u>\$ 565,476</u>	<u>\$ 1,819,009</u>	<u>\$ 92,637</u>	<u>\$ 62,370</u>	<u>\$ 106,929</u>	<u>\$ 237,736</u>	<u>\$ (9,387)</u>

	Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense
VRS OPEB Plans:				
Group Life Insurance Plan:				
School Board Nonprofessional	\$ 41,862	\$ 24,944	\$ 143,558	\$ 5,144
School Board Professional	379,018	231,594	1,349,348	44,012
County Health Insurance Credit Plan	46,467	107,004	123,254	(9,551)
Teacher Health Insurance Credit Plan	589,331	273,512	3,219,826	225,413
County Stand-Alone Plan	990,237	911,900	3,717,600	289,400
Totals	<u>\$ 2,046,915</u>	<u>\$ 1,548,954</u>	<u>\$ 8,553,586</u>	<u>\$ 554,418</u>

Note 14-Lease Receivable:

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

	Beginning Balance	Increases/ Issuances	Decreases/ Retirements	Ending Balance
Lease receivable	<u>\$ 167,187</u>	<u>\$ -</u>	<u>\$ (32,602)</u>	<u>\$ 134,585</u>

Lease revenue totaled \$34,835 during fiscal year 2024 and lease related interest totaled \$2,285. There are no variable payments for leases receivable.

Details of leases receivable:

Lease Description	Original Issuance Date	End Date	Payment Frequency	Discount Rate	Ending Balance	Amount Due Within One Year
Building lease	4/14/2023	2028	Monthly	1.50%	<u>\$ 134,585</u>	<u>\$ 33,622</u>

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 15-Capital Assets:

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Primary Government:				
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 3,207,139	\$ 7,515,500	\$ -	\$ 10,722,639
Construction in progress	2,777,182	2,152,665	-	4,929,847
Total capital assets not being depreciated	<u>\$ 5,984,321</u>	<u>\$ 9,668,165</u>	<u>\$ -</u>	<u>\$ 15,652,486</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 104,728,767	\$ 18,067,835	\$ -	\$ 122,796,602
Lease buildings and improvements	211,559	-	-	211,559
Machinery and equipment	21,328,164	781,164	-	22,109,328
Lease machinery and equipment	274,350	42,357	-	316,707
Subscription asset	106,696	-	-	106,696
Total capital assets, being depreciated	<u>\$ 126,649,536</u>	<u>\$ 18,891,356</u>	<u>\$ -</u>	<u>\$ 145,540,892</u>
Accumulated depreciation:				
Buildings and improvements	\$ (25,834,144)	\$ (3,345,105)	\$ -	\$ (29,179,249)
Lease buildings and improvements	(100,227)	(53,400)	-	(153,627)
Machinery and equipment	(15,477,193)	(1,512,598)	-	(16,989,791)
Lease machinery and equipment	(83,557)	(48,543)	-	(132,100)
Subscription asset	(17,229)	(23,232)	-	(40,461)
Total accumulated depreciation	<u>\$ (41,512,350)</u>	<u>\$ (4,982,878)</u>	<u>\$ -</u>	<u>\$ (46,495,228)</u>
Total capital assets being depreciated, net	<u>\$ 85,137,186</u>	<u>\$ 13,908,478</u>	<u>\$ -</u>	<u>\$ 99,045,664</u>
Governmental activities capital assets, net	<u>\$ 91,121,507</u>	<u>\$ 23,576,643</u>	<u>\$ -</u>	<u>\$ 114,698,150</u>

During the year, a local business contributed Calfee Park to the County, which resulted in additions of land and buildings and improvements totaling \$1,230,000 and \$9,405,000, respectively. Additionally, the Speedway was donated, which resulted in additions of land and buildings and improvements of \$6,285,500 and \$7,664,500, respectively. Capital contributions totaling \$24,585,000 were based on independently performed appraisals.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 15-Capital Assets: (continued)

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

Governmental activities:	
General government administration	\$ 833,240
Judicial administration	8,439
Public safety	1,185,980
Public works	396,250
Health and welfare	20,038
Education	2,094,885
Parks, recreation and cultural	423,185
Community development	20,861
Total depreciation/amorization expense-governmental activities	\$ <u>4,982,878</u>

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Component Unit:				
School Board:				
Capital assets, not being depreciated:				
Land	\$ 805,063	\$ -	\$ (74,757)	\$ 730,306
Construction in progress	6,913,710	2,052,725	(3,853,146)	5,113,289
Total capital assets not being depreciated	\$ <u>7,718,773</u>	\$ <u>2,052,725</u>	\$ <u>(3,927,903)</u>	\$ <u>5,843,595</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 23,263,417	\$ 4,077,252	\$ (1,639,702)	\$ 25,700,967
Machinery and equipment	22,548,313	988,476	(193,297)	23,343,492
Total capital assets, being depreciated	\$ <u>45,811,730</u>	\$ <u>5,065,728</u>	\$ <u>(1,832,999)</u>	\$ <u>49,044,459</u>
Accumulated depreciation:				
Buildings and improvements	\$ (16,090,335)	\$ (488,566)	\$ 1,635,402	\$ (14,943,499)
Machinery and equipment	(15,634,666)	(909,252)	146,677	(16,397,241)
Total accumulated depreciation	\$ <u>(31,725,001)</u>	\$ <u>(1,397,818)</u>	\$ <u>1,782,079</u>	\$ <u>(31,340,740)</u>
Total capital assets being depreciated, net	\$ <u>14,086,729</u>	\$ <u>3,667,910</u>	\$ <u>(50,920)</u>	\$ <u>17,703,719</u>
Governmental activities capital assets, net	\$ <u>21,805,502</u>	\$ <u>5,720,635</u>	\$ <u>(3,978,823)</u>	\$ <u>23,547,314</u>

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 16-Risk Management:

The County and its component unit- School Board are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The County and its component unit- School Board participate with other localities in a public entity risk pool for their coverage of general liability and auto insurance with the Virginia Association of Counties (VACO). Each member of this risk pool jointly and severally agrees to assume, pay and discharge any liability. The County and its component unit- School Board pay the VACO 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 or 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 coverage in any of the past three fiscal years.

Self-Insurance - The County established a limited risk management program for health insurance in fiscal year 2010. Premiums are paid into the health plan fund from the County and are available to pay claims, and administrative costs of the program. During the fiscal year 2024, a total of \$11,302,597 was paid by the County in benefits and administrative costs. The risk assumed by the County 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.). Incurred but not reported claims of \$488,093 have been accrued as a liability based primarily on actual cost incurred prior to June 30 but paid after year-end. Liabilities are determined using a combination of actual claims experience and actuarially determined amounts and include incremental claim adjustment expenses and estimated recoveries. An independent contractor processes claims and the County records a provision and liability in the government-wide statements and General Fund (current portion only) for an estimate of incurred but not reported claims.

Changes in the claims liability for the current and two prior fiscal years is as follows:

<u>Fiscal Year</u>	<u>Balance at Beginning of Fiscal Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at End of Fiscal Year</u>
2023-24	\$ 819,173	\$ 10,971,517	\$ (11,302,597)	\$ 488,093
2022-23	252,313	10,820,116	(10,253,256)	819,173
2021-22	252,313	9,113,263	(8,962,236)	403,340

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

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 Requirement, Cost Principles, and Audit Requirement for Federal Awards*. Pursuant to the provisions of this guidance 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:

Fidelity and Deposit Company of Maryland-Surety

Spencer A. Rygas, Clerk of Circuit Court	\$	145,000
Melinda Worrell, Treasurer		500,000
Kim Matthews, Commissioner of the Revenue		3,000
Michael W. Worrell, Sheriff		30,000
The above constitutional officers' employees - blanket bond		50,000
All Social Services employees - blanket bond		100,000

VaCo Risk Management Programs

All County employees - blanket bond	\$	250,000
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United States Fidelity and Guaranty

Jonathan Sweet, County Administrator	\$	2,000
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Component Unit - School Board:

VaCo Risk Management Programs

All School Board employees - blanket bond	\$	250,000
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COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 19-Landfill Liability:

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 for thirty years after closure. The County closed its landfill at Cloyd’s Mountain in 1989 and is awaiting final postclosure care termination from DEQ. At June 30, 2024, the total post-closure care liability was \$318,979 representing what it would cost to perform all post-closure care in fiscal year 2024. Actual costs for both post-closure monitoring may change due to inflation, deflation, changes in technology, or changes in regulations. The County demonstrated financial assurance requirements for closure, post-closure care through the submission of a Local Government Financial Test to the Virginia Department of environmental Quality in accordance with section 9VA C20-70 of the Virginia Administrative Code.

Note 20-Unearned and Unavailable/Deferred Revenue:

Unearned and unavailable/deferred 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. These amounts consist of the following:

Unearned Revenue - Primary Government:

Unearned Grants - Grant revenue collected by the County and Component Unit School Board for various purposes that has not met the revenue criteria totaled \$91,793 and \$1,262,788, respectively.

	Government-wide Statements	Balance Sheet
	Governmental Activities	Governmental Funds
Long-term portion of opioid settlement receivable that is not available for funding of current expenditures	\$ -	\$ 1,761,414
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	-	3,330,775
2nd half assessments due after year-end	10,790,832	10,790,832
Prepaid property taxes due after year-end but paid in advance by taxpayers	812,308	812,308
Total property taxes	\$ 11,603,140	\$ 14,933,915
Total	\$ 11,603,140	\$ 16,695,329

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 21-Fund Balance and Net Position Classifications:

	General Fund	School CIP Fund	County CIP Fund	Total
Nonspendable:				
Prepaid Items	\$ 182,869	\$ -	\$ 31,340	\$ 214,209
Restricted:				
Commonwealth Attorney Seized Assets, State & Federal	\$ 16,626	\$ -	\$ -	\$ 16,626
Sheriff Seized Assets	38,758	-	-	38,758
Aid to Localities for Fire Programs	86,595	-	-	86,595
Community Corrections Admin Fees	171,831	-	-	171,831
School Construction	-	2,575,577	-	2,575,577
Opioid settlement	772,697	-	-	772,697
Total Restricted	\$ 1,086,507	\$ 2,575,577	\$ -	\$ 3,662,084
Committed:				
County Construction	\$ -	\$ -	\$ 10,832,089	\$ 10,832,089
Assigned:				
Court Services Unit CE Richardson Grant	\$ 442	\$ -	\$ -	\$ 442
Sheriff I-81 Corridor Equipment	21,166	-	-	21,166
Sheriff Firing Range	855	-	-	855
Sheriff Concealed Weapons Permits	48,607	-	-	48,607
Sheriff E-Summons	8,650	-	-	8,650
Sheriff Donations	739	-	-	739
Animal Control Donations	35,324	-	-	35,324
Animal Control Spay & Neuter Program	93,711	-	-	93,711
Courthouse Exhibits Grant	1,020	-	-	1,020
Office on Youth Kids Fishing Day	31,605	-	-	31,605
Office on Youth Wounded Warrior	2,850	-	-	2,850
Recreation Donations	5,994	-	-	5,994
Recreation Youth Golf	125,301	-	-	125,301
Library Donations	9,235	-	-	9,235
Library Imagination Station	10,317	-	-	10,317
Transfer to School Operating Fund	1,262,787	-	-	1,262,787
Transfer to School Capital Fund (Unused Schools Funds)	497,554	-	-	497,554
Transfer to School Capital Funds (Cigarette Tax)	28,093	-	-	28,093
Transfer to County Capital Fund (Cigarette Tax)	500,000	-	-	500,000
Total Assigned	\$ 2,684,250	\$ -	\$ -	\$ 2,684,250
Unassigned:				
Unassigned	\$ 23,273,104	\$ -	\$ -	\$ 23,273,104
Total Fund Balance	\$ 27,226,730	\$ 2,575,577	\$ 10,863,429	\$ 40,665,736

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 21-Fund Balance and Net Position Classifications: (Continued)

	Primary Government	School Board
Restricted Net Postion:		
Commonwealth Attorney Seized Assets, State & Federal	\$ 16,626	\$ -
Sheriff Seized Assets	38,758	-
Aid to Localities for Fire Programs	86,595	
Community Corrections Admin Fees	171,831	-
School Construction	2,575,577	-
Opioid settlement	2,534,111	-
Net pension asset	-	406,816
School Activity Fund	-	103,856
Total Restricted Net Position	\$ 5,423,498	\$ 510,672

Note 22-Tax Abatement Programs:

A tax abatement consists of “a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of these governments.”

Pulaski County has agreements with local companies for the purposes of economic development which conform to that definition. Tax abatements related to various tax types of approximately \$650,000 have been agreed to in aggregate and have various end dates. The companies regularly pay their taxes and on an annual basis prove they have met certain requirements for the grant program on an individual basis. These requirements include new jobs, which is verified by the Virginia Employment Commission, and taxable improvements to real estate or machinery and tools tax. Any company failing to maintain their end of the agreement will forfeit any further abatement requirements.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2024

Note 23-Commitments and Contingencies:

The County was involved in major construction projects during the fiscal year as presented below, along with the anticipated funding source.

<u>Entity</u>	<u>Project</u>	<u>Contract Amount</u>	<u>Contract Amount Outstanding at June 30, 2024</u>	<u>Funding Source</u>
Primary Government	County Administration Renovations	\$ 2,609,513	\$ 759,817	General Funds
Primary Government	County Administration Renovations	133,761	16,135	General Funds
Primary Government	Randolph Park Pool	179,118	98,251	General Funds
School Board	PCPS HVAC Improvements	3,020,417	26,334	Grant Funding
School Board	SES, CES, DES, PES, RES Secure Vestibule	153,628	93,511	Grant Funding
School Board	SES, CES, DES, PES, RES Secure Vestibule	63,839	44,193	Grant Funding
School Board	SES, CES, DES, PES, RES Secure Vestibule	91,944	60,408	Grant Funding
School Board	SES, CES, DES, PES, RES Secure Vestibule	91,944	49,796	Grant Funding
School Board	SES, CES, DES, PES, RES Secure Vestibule	220,046	125,410	Grant Funding
School Board	PCHS Window and Door Replacement	1,898,588	33,185	Grant Funding

Note 24 - Subsequent Events:

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

Note 25-Upcoming Pronouncements:

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

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

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

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

Required Supplementary Information

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

	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)
	Original	Final		
REVENUES				
General Property Taxes	\$ 38,708,000	\$ 39,192,000	\$ 38,855,885	\$ (336,115)
Other Local Taxes	9,311,800	9,839,893	10,766,378	926,485
Permits, Privilege Fees and Regulatory Licenses	136,300	136,300	147,648	11,348
Fines and Forfeitures	33,000	106,962	108,171	1,209
Revenue from Use of Money and Property	620,328	620,328	2,536,538	1,916,210
Charges for Services	1,523,570	1,477,320	1,665,066	187,746
Miscellaneous	176,525	702,411	361,929	(340,482)
Recovered Costs	1,393,981	1,437,426	1,980,935	543,509
Intergovernmental:				
Commonwealth	13,216,478	13,669,138	12,798,710	(870,428)
Federal Government	4,112,991	5,110,950	6,823,973	1,713,023
Total Revenues	<u>\$ 69,232,973</u>	<u>\$ 72,292,728</u>	<u>\$ 76,045,233</u>	<u>\$ 3,752,505</u>
EXPENDITURES:				
Current:				
General Government Administration	\$ 3,855,076	\$ 3,937,385	\$ 3,793,591	\$ 143,794
Judicial Administration	2,511,116	2,668,744	2,573,897	94,847
Public Safety	16,703,502	18,864,578	16,676,946	2,187,632
Public Works	2,997,941	3,519,079	3,310,476	208,603
Health and Welfare	12,207,388	12,925,577	10,560,641	2,364,936
Education	17,169,451	18,292,158	16,558,613	1,733,545
Parks, Recreation and Cultural	2,416,732	2,842,061	2,654,442	187,619
Community Development	1,953,358	9,894,285	9,673,161	221,124
Non-Departmental	40,000	10,612	8,388	2,224
Debt Service:				
Principal Retirement	3,457,314	3,469,179	3,617,592	(148,413)
Interest and Other Fiscal Charges	1,671,416	1,671,416	1,570,557	100,859
Total Expenditures	<u>\$ 64,983,294</u>	<u>\$ 78,095,074</u>	<u>\$ 70,998,304</u>	<u>\$ 7,096,770</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 4,249,679</u>	<u>\$ (5,802,346)</u>	<u>\$ 5,046,929</u>	<u>\$ 10,849,275</u>
Other Financing Sources (Uses)				
Transfers In	\$ 779,643	\$ 12,238,017	\$ -	\$ (12,238,017)
Transfers Out	(5,029,322)	(6,435,671)	(9,310,231)	(2,874,560)
Issuance of Leases Payable	-	-	42,357	42,357
Total Other Financing Sources (Uses)	<u>\$ (4,249,679)</u>	<u>\$ 5,802,346</u>	<u>\$ (9,267,874)</u>	<u>\$ (15,070,220)</u>
Net Change in Fund Balance	\$ -	\$ -	\$ (4,220,945)	\$ (4,220,945)
Fund Balance - Beginning	-	-	31,447,675	31,447,675
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,226,730</u>	<u>\$ 27,226,730</u>

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

Date (1)	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)	Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset) (6)
Primary Government - County of Pulaski Retirement Plan					
2023	86.5672% \$	2,634,184 \$	14,800,430	17.80%	95.68%
2022	85.3120%	642,417	13,550,482	4.74%	98.86%
2021	85.4460%	(1,785,466)	11,888,512	-15.02%	103.24%
2020	85.8900%	5,957,803	11,615,916	51.29%	88.50%
2019	85.7300%	4,690,414	10,056,520	46.64%	90.73%
2018	81.5237%	2,873,283	9,814,514	29.28%	93.59%
2017	81.5237%	3,619,908	9,341,508	38.75%	91.72%
2016	81.8900%	5,948,972	9,046,509	65.76%	86.10%
2015	81.3919%	4,247,122	8,486,988	50.04%	89.62%
2014	81.2400%	3,792,677	8,225,333	46.11%	90.36%
Component Unit Public Service Authority					
2023	12.6284% \$	422,373 \$	2,373,611	17.79%	95.68%
2022	13.9183%	104,808	2,210,691	4.74%	98.86%
2021	13.9370%	(291,226)	1,939,122	-15.02%	103.24%
2020	13.1500%	912,156	1,778,429	51.29%	88.50%
2019	13.3600%	730,945	1,680,489	43.50%	90.73%
2018	12.8998%	454,651	1,552,987	29.28%	93.59%
2017	12.8998%	572,792	1,498,406	38.23%	91.72%
2016	12.7300%	924,782	1,399,901	66.06%	86.10%
2015	13.2000%	688,791	1,380,323	49.90%	89.62%
2014	13.2000%	615,090	1,341,630	45.85%	90.36%
Component Unit School Board (professional)					
2023	0.2655% \$	26,835,639 \$	26,502,014	101.26%	82.45%
2022	0.2519%	23,983,340	23,520,768	101.97%	82.61%
2021	0.2481%	19,257,140	21,957,337	87.70%	85.46%
2020	0.2481%	36,097,789	21,758,155	165.90%	71.47%
2019	0.2583%	33,991,116	21,659,328	156.94%	73.51%
2018	0.2681%	31,530,000	21,717,893	145.18%	74.81%
2017	0.2761%	33,960,000	21,798,816	155.79%	72.92%
2016	0.2811%	39,386,000	21,429,302	183.80%	68.28%
2015	0.2876%	36,199,000	21,387,353	169.25%	70.68%
2014	0.3002%	36,277,000	21,994,717	164.94%	70.88%

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability	\$ 245,647	\$ 191,886	\$ 202,457	\$ 217,278	\$ 205,580	\$ 205,130	\$ 217,216	\$ 248,654	\$ 285,386	\$ 259,384
Service cost	827,709	818,144	768,210	770,518	741,559	721,459	727,532	703,996	680,732	653,059
Interest	235,630	(211,088)	(187,949)	(405,445)	119,357	(75,674)	(407,240)	(78,558)	(89,812)	-
Differences between expected and actual experience			467,838	314,083	(62,808)	(553,976)	(526,169)	(526,169)	(508,058)	(508,058)
Changes of assumptions	(689,873)	(732,125)	(673,229)	(559,845)	(558,574)	(568,951)	(79,276)	352,345	330,137	404,385
Benefit payments	619,113	66,817	577,327	22,506	82,005	281,964	(79,276)	10,317,961	9,987,824	9,583,339
Net change in total pension liability	12,361,649	12,294,832	11,717,505	11,694,999	10,872,994	10,591,030	10,670,306	10,317,961	10,317,961	9,987,824
Total pension liability - beginning	12,980,762	12,361,649	12,294,832	11,717,505	11,694,999	10,872,994	10,591,030	10,670,306	10,317,961	9,987,824
Total pension liability - ending (a)	\$ 245,647	\$ 191,886	\$ 202,457	\$ 217,278	\$ 205,580	\$ 205,130	\$ 217,216	\$ 248,654	\$ 285,386	\$ 259,384
Plan fiduciary net position	\$ 98,322	\$ 104,766	\$ 97,556	\$ 117,292	\$ 116,646	\$ 156,401	\$ 151,950	\$ 202,984	\$ 218,738	\$ 245,465
Contributions - employer	126,733	113,981	106,533	115,412	102,242	108,131	105,216	111,956	121,343	123,727
Contributions - employee	826,452	(8,182)	2,972,994	211,656	710,228	761,233	1,146,141	164,816	424,421	1,281,760
Net investment income	(689,873)	(732,125)	(673,229)	(559,845)	(558,574)	(568,951)	(553,976)	(521,747)	(526,169)	(508,058)
Benefit payments	(8,450)	(8,535)	(7,647)	(7,270)	(7,218)	(6,699)	(6,774)	(6,016)	(5,914)	(6,966)
Administrator charges	331	306	278	(250)	(447)	(672)	(1,014)	(72)	(90)	68
Other	353,515	(529,789)	2,496,485	(123,105)	369,877	449,443	841,543	(48,079)	232,329	1,135,996
Net change in plan fiduciary net position	13,034,063	13,563,852	11,067,367	11,190,472	10,820,595	10,371,152	9,529,609	9,577,688	9,345,359	8,209,363
Plan fiduciary net position - beginning	13,387,578	13,034,063	13,563,852	11,067,367	11,190,472	10,820,595	10,371,152	9,577,688	9,577,688	9,345,359
Plan fiduciary net position - ending (b)	\$ (406,816)	\$ (672,414)	\$ (1,269,020)	\$ 650,138	\$ 504,527	\$ 52,399	\$ 219,878	\$ 1,140,697	\$ 740,273	\$ 642,465
School Division's net pension liability (asset) - ending (a) - (b)	103.13%	105.44%	110.32%	94.45%	95.69%	99.52%	97.92%	89.31%	92.83%	93.57%
Plan fiduciary net position as a percentage of the total pension liability	2,803,552	2,513,908	2,297,560	2,355,416	2,320,345	2,271,156	2,171,340	2,279,771	2,434,851	2,474,506
Covered payroll	-14.51%	-26.75%	-55.23%	27.60%	21.74%	2.31%	10.13%	50.04%	30.40%	25.96%
School Division's net pension liability (asset) as a percentage of covered payroll										

County of Pulaski, Virginia
Schedule of Employer Contributions
Pension Plans

For the Measurement Dates of June 30, 2015 through June 30, 2024

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2024	\$ 1,385,866	\$ 1,385,866	\$ -	\$ 16,497,253	8.40%
2023	1,242,091	1,242,091	-	14,800,430	8.39%
2022	1,089,888	1,089,888	-	13,550,482	8.04%
2021	967,573	967,573	-	11,888,512	8.14%
2020	981,662	981,662	-	11,615,916	8.45%
2019	859,240	859,240	-	10,056,520	8.54%
2018	923,644	923,644	-	9,814,514	9.41%
2017	886,604	886,604	-	9,341,508	9.49%
2016	1,099,960	1,099,960	-	9,046,509	12.16%
2015	1,018,523	1,018,523	-	8,486,988	12.00%
Component Unit Public Service Authority					
2024	\$ 202,170	\$ 202,170	\$ -	\$ 2,407,129	8.40%
2023	199,160	199,160	-	2,373,611	8.39%
2022	177,811	177,811	-	2,210,691	8.04%
2021	157,815	157,815	-	1,939,122	8.14%
2020	150,256	150,256	-	1,778,429	8.45%
2019	143,608	143,608	-	1,680,489	8.55%
2018	146,152	146,152	-	1,552,987	9.41%
2017	142,214	142,214	-	1,498,406	9.49%
2016	169,248	169,248	-	1,399,901	12.09%
2015	166,881	166,881	-	1,380,323	12.09%
Component Unit School Board (nonprofessional)					
2024	\$ 100,280	\$ 100,280	\$ -	\$ 2,974,569	3.37%
2023	98,639	98,639	-	2,803,552	3.52%
2022	104,981	104,981	-	2,513,908	4.18%
2021	97,800	97,800	-	2,297,560	4.26%
2020	117,508	117,508	-	2,355,416	4.99%
2019	116,793	116,793	-	2,320,345	5.03%
2018	156,538	156,538	-	2,271,156	6.89%
2017	151,735	151,735	-	2,171,340	6.99%
2016	205,179	205,179	-	2,279,771	9.00%
2015	219,137	219,137	-	2,434,851	9.00%
Component Unit School Board (professional)					
2024	\$ 4,274,549	\$ 4,274,549	\$ -	\$ 27,160,420	15.74%
2023	4,191,222	4,191,222	-	26,502,014	15.81%
2022	3,742,313	3,742,313	-	23,520,768	15.91%
2021	3,509,331	3,509,331	-	21,957,337	15.98%
2020	3,326,828	3,326,828	-	21,758,155	15.29%
2019	3,309,921	3,309,921	-	21,659,328	15.28%
2018	3,473,102	3,473,102	-	21,717,893	15.99%
2017	3,143,365	3,143,365	-	21,798,816	14.66%
2016	3,012,959	3,012,959	-	21,429,302	14.06%
2015	3,092,245	3,092,245	-	21,387,353	14.46%

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

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

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

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service 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 Pulaski, Virginia
 Schedule of County's Share of Net OPEB Liability
 Healthcare OPEB Plan
 For the Years Ended June 30, 2017 through June 30, 2023

Date (1)	Employer's Proportion of the Net OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net OPEB Liability (Asset) (3)	Covered- Employee Payroll (4)	Employer's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)
Primary Government:				
2023	21.74%	\$ 1,065,400	N/A	N/A
2022	24.13%	1,166,900	N/A	N/A
2021	24.82%	1,210,800	N/A	N/A
2020	25.24%	1,132,100	N/A	N/A
2019	27.70%	1,303,700	N/A	N/A
2018	27.37%	1,218,300	N/A	N/A
2017	26.28%	1,191,800	N/A	N/A
Component Unit Public Service Authority:				
2023	2.39%	\$ 116,900	N/A	N/A
2022	2.62%	126,600	N/A	N/A
2021	3.08%	150,200	N/A	N/A
2020	3.08%	138,300	N/A	N/A
2019	4.20%	197,600	N/A	N/A
2018	4.14%	184,400	N/A	N/A
2017	4.24%	192,300	N/A	N/A
Component Unit - School Board:				
2023	75.87%	\$ 3,717,600	N/A	N/A
2022	73.25%	3,542,900	N/A	N/A
2021	72.10%	3,517,400	N/A	N/A
2020	71.68%	3,215,300	N/A	N/A
2019	67.95%	3,197,800	N/A	N/A
2018	68.35%	3,042,700	N/A	N/A
2017	69.26%	3,141,200	N/A	N/A

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 Pulaski, Virginia
 Notes to Required Supplementary Information - County OPEB
 For the Year Ended June 30, 2024

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

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age actuarial cost method
Discount Rate	3.86%
Healthcare Trend Rate	County and School: 6.50% for fiscal year end 2024, decreasing 0.25% per year to an ultimate rate of 5.00%
Salary Scale	2.50%
Mortality Rates	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021

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

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Primary Government					
2023	0.06284%	\$ 753,609	\$ 14,758,054	5.11%	69.30%
2022	0.06226%	749,679	13,543,196	5.54%	67.21%
2021	0.05751%	669,715	11,888,512	5.63%	67.45%
2020	0.05643%	941,863	11,615,916	8.11%	52.64%
2019	0.05509%	896,462	10,073,360	8.90%	52.00%
2018	0.05197%	789,149	9,814,514	8.04%	51.22%
2017	0.05163%	777,136	9,341,508	8.32%	48.86%
Component Unit Public Service Authority					
2023	0.01008%	\$ 120,836	\$ 2,373,269	5.09%	69.30%
2022	0.01016%	122,307	2,209,516	5.54%	67.21%
2021	0.00938%	109,237	1,939,122	5.63%	67.45%
2020	0.00864%	144,202	1,786,764	8.07%	52.64%
2019	0.00859%	139,703	1,683,303	8.30%	52.00%
2018	0.00822%	124,870	1,552,987	8.04%	51.22%
2017	0.00803%	120,808	1,498,406	8.06%	48.86%
Component Unit - School Board (nonprofessional)					
2023	0.01197%	\$ 143,558	\$ 2,818,644	5.09%	69.30%
2022	0.01150%	138,471	2,502,174	5.53%	67.21%
2021	0.01120%	129,933	2,303,210	5.64%	67.45%
2020	0.01150%	192,083	2,365,581	8.12%	52.64%
2019	0.01185%	192,831	2,323,486	8.30%	52.00%
2018	0.01197%	182,000	2,271,156	8.01%	51.22%
2017	0.01177%	177,000	2,171,340	8.15%	48.86%
Component Unit - School Board (professional)					
2023	0.11251%	\$ 1,349,348	\$ 26,502,014	5.09%	69.30%
2022	0.10816%	1,302,351	23,526,688	5.54%	67.21%
2021	0.10630%	1,238,203	21,957,337	5.64%	67.45%
2020	0.10570%	1,764,627	21,762,660	8.11%	52.64%
2019	0.11061%	1,799,919	21,683,706	8.30%	52.00%
2018	0.11429%	1,735,000	21,717,893	7.99%	51.22%
2017	0.11814%	1,778,000	21,798,816	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 Pulaski, Virginia
 Schedule of Employer Contributions
 Group Life Insurance (GLI) Plan
 For the Years Ended June 30, 2015 through June 30, 2024

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government:					
2024	\$ 89,107	\$ 89,107	\$ -	\$ 16,501,320	0.54%
2023	79,911	79,911	-	14,758,054	0.54%
2022	73,126	73,126	-	13,543,196	0.54%
2021	64,131	64,131	-	11,888,512	0.54%
2020	60,458	60,458	-	11,615,916	0.52%
2019	52,381	52,381	-	10,073,360	0.52%
2018	51,268	51,268	-	9,814,514	0.52%
2017	49,634	49,634	-	9,341,508	0.53%
Component Unit Public Service Authority					
2024	\$ 13,002	\$ 13,002	\$ -	\$ 2,407,717	0.54%
2023	12,816	12,816	-	2,373,269	0.54%
2022	11,931	11,931	-	2,209,516	0.54%
2021	10,460	10,460	-	1,939,122	0.54%
2020	9,256	9,256	-	1,786,764	0.52%
2019	8,753	8,753	-	1,683,303	0.52%
2018	8,112	8,112	-	1,552,987	0.52%
2017	7,716	7,716	-	1,498,406	0.51%
Component Unit - School Board (nonprofessional)					
2024	\$ 16,157	\$ 16,157	\$ -	\$ 2,992,082	0.54%
2023	15,221	15,221	-	2,818,644	0.54%
2022	13,512	13,512	-	2,502,174	0.54%
2021	12,437	12,437	-	2,303,210	0.54%
2020	12,314	12,314	-	2,365,581	0.52%
2019	12,082	12,082	-	2,323,486	0.52%
2018	11,831	11,831	-	2,271,156	0.52%
2017	11,291	11,291	-	2,171,340	0.52%
2016	10,943	10,943	-	2,279,771	0.48%
2015	11,708	11,708	-	2,434,851	0.48%
Component Unit - School Board (professional)					
2024	\$ 146,666	\$ 146,666	\$ -	\$ 27,160,420	0.54%
2023	143,111	143,111	-	26,502,014	0.54%
2022	127,044	127,044	-	23,526,688	0.54%
2021	118,567	118,567	-	21,957,337	0.54%
2020	112,852	112,852	-	21,762,660	0.52%
2019	112,755	112,755	-	21,683,706	0.52%
2018	113,185	113,185	-	21,717,893	0.52%
2017	113,316	113,316	-	21,798,816	0.52%
2016	102,879	102,879	-	21,429,302	0.48%
2015	102,659	102,659	-	21,387,353	0.48%

Schedule is intended to show information for 10 years. Prior to the 2017, the County information reported in the County's report included participants that are not reported in the County's report. Therefore, no additional data is currently available for the County.

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

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

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

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

County of Pulaski, Virginia
 Schedule of County School Board's Share of Net OPEB Liability
 Teacher Employee Health Insurance Credit (HIC) Plan
 For the Measurement Dates June 30, 2017 through June 30, 2023

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2023	0.26580%	\$ 3,219,826	\$ 26,502,014	12.15%	17.90%
2022	0.25240%	3,152,344	23,521,838	13.40%	15.08%
2021	0.24828%	3,186,846	21,957,337	14.51%	13.15%
2020	0.24820%	3,237,679	21,758,155	14.88%	9.95%
2019	0.25823%	3,380,482	21,659,328	15.61%	8.97%
2018	0.26811%	3,404,000	21,717,893	15.67%	8.08%
2017	0.27607%	3,503,000	21,798,816	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 Pulaski, Virginia
 Schedule of Employer Contributions
 Teacher Employee Health Insurance Credit (HIC) Plan
 For the Years Ended June 30, 2015 through June 30, 2024

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2024	\$ 328,641	\$ 328,641	\$ -	\$ 27,160,420	1.21%
2023	320,674	320,674	-	26,502,014	1.21%
2022	284,614	284,614	-	23,521,838	1.21%
2021	265,683	265,683	-	21,957,337	1.21%
2020	260,318	260,318	-	21,758,155	1.20%
2019	259,911	259,911	-	21,659,328	1.20%
2018	267,130	267,130	-	21,717,893	1.23%
2017	241,839	241,839	-	21,798,816	1.11%
2016	227,151	227,151	-	21,429,302	1.06%
2015	226,667	226,667	-	21,387,353	1.06%

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

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

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

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

County of Pulaski, 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 Dates of June 30, 2020 through June 30, 2023

	2023	2022	2021	2020
Total HIC OPEB Liability				
Service cost	\$ 2,288	\$ 2,780	\$ 3,003	\$ -
Interest	19,556	18,457	16,782	-
Changes of benefit terms	-	-	-	248,622
Differences between expected and actual experience	(126,665)	(22,170)	(1)	-
Changes of assumptions	-	26,405	6,616	-
Benefit payments	(8,677)	(8,723)	-	-
Net change in total HIC OPEB liability	\$ (113,498)	\$ 16,749	\$ 26,400	\$ 248,622
Total HIC OPEB Liability - beginning	291,771	275,022	248,622	-
Total HIC OPEB Liability - ending (a)	\$ 178,273	\$ 291,771	\$ 275,022	\$ 248,622
Plan fiduciary net position				
Contributions - employer	\$ 28,315	\$ 20,494	\$ 18,840	\$ -
Net investment income	2,765	(201)	2,439	-
Benefit payments	(8,677)	(8,723)	-	-
Administrator charges	(84)	(66)	(83)	-
Net change in plan fiduciary net position	\$ 22,319	\$ 11,504	\$ 21,196	\$ -
Plan fiduciary net position - beginning	32,700	21,196	-	-
Plan fiduciary net position - ending (b)	\$ 55,019	\$ 32,700	\$ 21,196	\$ -
School Division's net OPEB liability - ending (a) - (b)	\$ 123,254	\$ 259,071	\$ 253,826	\$ 248,622
Plan fiduciary net position as a percentage of the total HIC OPEB Liability	30.86%	11.21%	7.71%	-
Covered payroll	\$ 2,803,552	\$ 2,499,280	\$ 2,297,560	\$ -
Component Unit School Board's net HIC OPEB liability as a percentage of covered payroll	4.40%	10.37%	11.05%	-

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

County of Pulaski, Virginia
 Schedule of Employer Contributions
 Health Insurance Credit (HIC) Plan
 For the Years Ending June 30, 2021 through June 30, 2024

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2024	\$ 30,055	\$ 30,055	-	\$ 2,975,720	1.01%
2023	28,316	28,316	-	2,803,552	1.01%
2022	20,494	20,494	-	2,499,280	0.82%
2021	18,840	18,840	-	2,297,560	0.82%

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

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

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

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

Non-Largest Ten Locality Employers - General Employees

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

Other Supplementary Information

County of Pulaski, Virginia
Major Capital Projects Fund-County CIP Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2024

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Pos (Neg)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Miscellaneous	\$ 1,044,150	\$ 2,283,819	\$ 33,819	\$ (2,250,000)
Recovered Costs	8,007	8,007	8,007	-
Intergovernmental:				
Local Government	-	18,030	-	(18,030)
Commonwealth	67,729	184,538	-	(184,538)
Federal Government	(222,875)	-	-	-
Total Revenues	<u>\$ 897,011</u>	<u>\$ 2,494,394</u>	<u>\$ 41,826</u>	<u>\$ (2,452,568)</u>
EXPENDITURES:				
Current:				
General Government Administration	\$ 338,240	\$ 839,245	\$ 323,841	\$ 515,404
Judicial Administration	38,000	47,196	41,662	5,534
Public Safety	1,156,428	2,745,959	794,541	1,951,418
Public Works	2,017,846	5,511,560	2,460,261	3,051,299
Health and Welfare	-	144,085	8,803	135,282
Parks, Recreation and Cultural	661,745	6,541,601	581,261	5,960,340
Community Development	-	-	652,913	(652,913)
Debt Service:				
Principal Retirement	-	-	54,536	(54,536)
Interest and Other Fiscal Charges	-	-	7,640	(7,640)
Total Expenditures	<u>\$ 4,212,259</u>	<u>\$ 15,829,646</u>	<u>\$ 4,925,458</u>	<u>\$ 10,904,188</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (3,315,248)</u>	<u>\$ (13,335,252)</u>	<u>\$ (4,883,632)</u>	<u>\$ 8,451,620</u>
Other Financing Sources (Uses)				
Transfers In	<u>\$ 3,624,622</u>	<u>\$ 13,335,252</u>	<u>\$ 7,691,173</u>	<u>\$ (5,644,079)</u>
Net Change in Fund Balance	\$ 309,374	\$ -	\$ 2,807,541	\$ 2,807,541
Fund Balance - Beginning	(309,374)	-	8,055,888	8,055,888
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,863,429</u>	<u>\$ 10,863,429</u>

County of Pulaski, Virginia
 Major Capital Projects Fund-School CIP Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2024

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Pos (Neg)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Revenue from Use of Money and Property	\$ -	\$ -	\$ 94,434	\$ 94,434
Miscellaneous	-	-	141,669	141,669
Total Revenues	\$ -	\$ -	\$ 236,103	\$ 236,103
EXPENDITURES				
Capital Projects	\$ -	\$ -	\$ -	\$ -
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ 236,103	\$ 236,103
Other Financing Sources (Uses)				
Transfers In	\$ -	\$ -	\$ 524,906	\$ 524,906
Net Change in Fund Balance	\$ -	\$ -	\$ 761,009	\$ 761,009
Fund Balance - Beginning	-	-	1,814,568	1,814,568
Fund Balance - Ending	\$ -	\$ -	\$ 2,575,577	\$ 2,575,577

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

	<u>Custodial Funds</u>			<u>Total</u>
	<u>Special Welfare</u>	<u>Performance Bond</u>	<u>Employee Flexible Benefits</u>	
ASSETS				
Cash and Cash Equivalents	\$ 34,014	\$ 133,370	\$ 96,535	\$ 263,919
Total Assets	<u>\$ 34,014</u>	<u>\$ 133,370</u>	<u>\$ 96,535</u>	<u>\$ 263,919</u>
NET POSITION				
Restricted:				
Special Welfare	\$ 34,014	\$ -	\$ -	\$ 34,014
Performance Bond	-	133,370	-	133,370
Employee Flexible Benefits	-	-	96,535	96,535
Total net position	<u>\$ 34,014</u>	<u>\$ 133,370</u>	<u>\$ 96,535</u>	<u>\$ 263,919</u>

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

	Special Welfare	Performance Bond	Employee Flexible Benefits	Total
ADDITIONS				
Contributions:				
Expenditure reimbursement	\$ 31,768	\$ 36	\$ -	\$ 31,804
Support enforcements	16,524	-	-	16,524
Benefits reimbursements	-	-	32,376	32,376
Total contributions	<u>\$ 48,292</u>	<u>\$ 36</u>	<u>\$ 32,376</u>	<u>\$ 80,704</u>
Total additions	<u>\$ 48,292</u>	<u>\$ 36</u>	<u>\$ 32,376</u>	<u>\$ 80,704</u>
DEDUCTIONS				
Special welfare payments	\$ 43,757	\$ -	\$ -	\$ 43,757
Refund bonds	-	13,308	-	13,308
Flexible benefits	-	-	28,032	28,032
Banking fees	-	-	89	89
Total deductions	<u>\$ 43,757</u>	<u>\$ 13,308</u>	<u>\$ 28,121</u>	<u>\$ 85,186</u>
Net increase (decrease) in fiduciary net position	\$ 4,535	\$ (13,272)	\$ 4,255	\$ (4,482)
Net position, beginning	29,479	146,642	92,280	268,401
Net position, ending	<u>\$ 34,014</u>	<u>\$ 133,370</u>	<u>\$ 96,535</u>	<u>\$ 263,919</u>

DISCRETELY PRESENTED COMPONENT UNIT- SCHOOL BOARD

MAJOR GOVERNMENTAL FUND

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 of the County. The Cafeteria and Governor's School Funds have been merged for reporting purposes.

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

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

	School Operating Fund	School Activity Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 8,282,409	\$ 1,393,000	\$ 9,675,409
Prepaid Items	1,029,906	-	1,029,906
Due from Primary Government	2,318,950	-	2,318,950
Due from Other Governmental Units	2,004,902	-	2,004,902
Total Assets	\$ 13,636,167	\$ 1,393,000	\$ 15,029,167
LIABILITIES			
Accounts Payable	\$ 956,778	\$ -	\$ 956,778
Accrued Wages	4,274,240	-	4,274,240
Unearned Revenue	1,262,788	-	1,262,788
Due to Primary Government	127,203	-	127,203
Total Liabilities	\$ 6,621,009	\$ -	\$ 6,621,009
FUND BALANCES			
Nonspendable - Prepaid Items	\$ 1,029,906	\$ -	\$ 1,029,906
Restricted - School activity fund	-	103,856	103,856
Assigned - School activity fund	-	1,289,144	1,289,144
Committed	5,985,252	-	5,985,252
Total Fund Balances	\$ 7,015,158	\$ 1,393,000	\$ 8,408,158
Total Liabilities and Fund Balances	\$ 13,636,167	\$ 1,393,000	\$ 15,029,167

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

Total fund balances - per above		\$ 8,408,158
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, not being depreciated	\$ 5,843,595	
Capital assets, net of accumulated depreciation/amortization	17,703,719	23,547,314
The net pension asset is not an available resource and, therefore, is not reported in the funds.		
		406,816
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension Related Items	\$ 9,411,146	
OPEB Related Items	2,046,915	11,458,061
Long-term liabilities, including compensated absences, net pension liability, and net OPEB liabilities are not due and payable in the current period and therefore, are not reported in the funds.		
Compensated Absences	\$ (1,882,118)	
Net Pension Liability	(26,835,639)	
Net OPEB liabilities	(8,553,586)	(37,271,343)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension Related Items	\$ (3,421,760)	
OPEB Related Items	(1,548,954)	(4,970,714)
Net position of governmental activities - component unit school board		\$ 1,578,292

County of Pulaski, Virginia
Discretely Presented Component Unit-School Board
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2024

	School Operating Fund	School Activity Fund*	Total
REVENUES			
Revenue from Use of Money and Property	\$ 101,742	\$ -	\$ 101,742
Charges for Services	218,762	941,084	1,159,846
Miscellaneous	59,870	-	59,870
Recovered Costs	1,200,648	-	1,200,648
Intergovernmental:			
Local Government	16,368,180	-	16,368,180
Commonwealth	39,067,250	-	39,067,250
Federal Government	9,881,080	-	9,881,080
Total Revenues	<u>\$ 66,897,532</u>	<u>\$ 941,084</u>	<u>\$ 67,838,616</u>
EXPENDITURES:			
Current:			
Education	<u>\$ 64,846,312</u>	<u>\$ 1,585,511</u>	<u>\$ 66,431,823</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,051,220</u>	<u>\$ (644,427)</u>	<u>\$ 1,406,793</u>
Other Financing Sources (Uses)			
Transfers In	\$ -	\$ 281,655	\$ 281,655
Transfers Out	<u>(281,655)</u>	<u>-</u>	<u>(281,655)</u>
Total Other Financing Sources (Uses)	<u>\$ (281,655)</u>	<u>\$ 281,655</u>	<u>\$ -</u>
Net Change in Fund Balance	\$ 1,769,565	\$ (362,772)	\$ 1,406,793
Fund Balance - Beginning	5,245,593	1,755,772	7,001,365
Fund Balance - Ending	<u>\$ 7,015,158</u>	<u>\$ 1,393,000</u>	<u>\$ 8,408,158</u>

Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:

Net change in fund balance - total governmental funds - per above \$ 1,406,793

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. Detail of items supporting these adjustments is as follows:

Capital Outlay	\$ 3,265,307	
Depreciation	<u>(1,397,818)</u>	1,867,489

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

Disposal of assets	\$ (46,620)	
Transfer of asset to EDA	<u>(79,057)</u>	(125,677)

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

State non-employer contribution to the pension plan		391,513
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditure in governmental funds.

(Increase) Decrease in compensated absences	\$ (70,650)	
Changes in pension related items	1,843,840	
Changes in OPEB related items	<u>276,860</u>	2,050,050

Change in net position of governmental funds - component unit school board \$ 5,590,168

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

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

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Pos (Neg)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Revenue from Use of Money and Property	\$ 34,900	\$ 82,040	\$ 101,742	\$ 19,702
Charges for Services	342,000	342,000	218,762	(123,238)
Miscellaneous	25,637	25,637	59,870	34,233
Recovered Costs	682,500	682,500	1,200,648	518,148
Intergovernmental:				
Local Government	17,104,410	17,104,410	16,368,180	(736,230)
Commonwealth	33,305,526	38,636,385	39,067,250	430,865
Federal Government	14,086,732	14,236,732	9,881,080	(4,355,652)
Total Revenues	<u>\$ 65,581,705</u>	<u>\$ 71,109,704</u>	<u>\$ 66,897,532</u>	<u>\$ (4,212,172)</u>
EXPENDITURES:				
Current:				
Education	\$ 65,581,705	\$ 71,109,704	\$ 64,846,312	\$ 6,263,392
Total Expenditures	<u>\$ 65,581,705</u>	<u>\$ 71,109,704</u>	<u>\$ 64,846,312</u>	<u>\$ 6,263,392</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	\$ -	\$ -	\$ 2,051,220	\$ 2,051,220
Other Financing Sources (Uses)				
Transfers In	\$ -	\$ -	\$ -	\$ -
Transfers Out	-	-	(281,655)	(281,655)
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (281,655)</u>	<u>\$ (281,655)</u>
Net Change in Fund Balance	\$ -	\$ -	\$ 1,769,565	\$ 1,769,565
Fund Balance - Beginning	-	-	5,245,593	5,245,593
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,015,158</u>	<u>\$ 7,015,158</u>

Other Statistical Information

Table 1

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

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Total
2023-24 (1)	\$ 1,405,983	\$ 2,858,572	\$ 18,789,923	\$ 6,125,638	\$ 10,997,833	\$ 18,653,498	\$ 3,255,786	\$ 10,569,082	\$ 1,431,288	\$ 74,087,603
2022-23	2,941,654	2,042,456	16,336,680	3,469,150	9,621,841	18,050,645	640,357	3,935,891	1,524,986	58,563,660
2021-22	3,738,155	2,178,268	15,419,417	2,251,981	9,420,070	21,666,411	2,446,473	2,219,436	1,613,525	60,953,736
2020-21	3,279,198	2,110,024	16,319,331	1,686,968	9,409,838	17,637,702	890,249	2,758,678	1,733,954	55,825,942
2019-20	3,128,845	2,169,572	12,496,921	2,230,327	10,235,842	15,838,781	1,840,271	1,105,826	1,884,031	50,930,416
2018-19	2,660,377	1,945,251	10,668,415	1,949,125	9,518,680	15,549,922	1,566,378	1,181,486	1,870,352	46,909,986
2017-18	2,801,349	2,067,758	9,874,829	2,586,077	10,515,792	16,553,189	1,621,925	3,504,042	1,717,409	51,242,370
2016-17	2,700,402	2,109,851	10,833,574	2,617,920	10,957,406	15,480,363	1,615,012	1,149,908	785,624	48,250,060
2015-16	2,271,956	1,839,512	9,084,993	2,248,209	10,778,762	15,078,566	1,474,176	2,444,344	854,398	46,074,916
2014-15	2,297,377	1,763,999	8,960,435	3,355,036	10,387,390	14,981,310	1,581,597	5,180,699	780,400	49,288,243

(1) Community Development includes the donation of Calfee Park and the Speedway to the County during the year valued at \$24,585,000 as well as contributions to the EDA from the County totaling \$6,131,001 related predominately to the buyout of a lessee from their lease obligation.

Table 2

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

Fiscal Year	Program Revenues				General Revenues						Grants and Contributions Not Restricted to Specific Programs	Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous					
2023-24 (1)	\$ 2,016,055	\$ 17,230,392	\$ 24,585,000	\$ 39,036,235	\$ 10,766,378	\$ 2,535,802	\$ 1,295,467	\$ 2,392,291	\$ 99,857,620			
2022-23	2,047,099	14,231,582	10,666	38,046,136	10,468,228	1,072,356	575,615	2,600,328	69,052,010			
2021-22	1,400,143	15,890,466	487,488	35,676,092	9,381,355	328,520	1,581,600	2,431,631	67,177,295			
2020-21	1,765,952	18,867,125	1,170	33,406,557	8,666,350	475,586	33,055	2,419,357	65,635,152			
2019-20	2,025,196	12,833,704	407,169	31,446,592	8,270,789	926,218	108,675	2,587,059	58,605,402			
2018-19	1,151,680	12,089,326	128,397	31,370,107	7,849,693	1,612,865	301,726	2,663,341	57,167,135			
2017-18	730,770	12,636,401	123,701	28,799,097	7,479,531	669,250	137,700	2,624,484	53,200,934			
2016-17	784,304	13,695,749	139,906	26,556,425	7,476,305	371,956	113,955	2,653,536	51,792,136			
2015-16	722,159	12,010,459	1,364,931	25,966,779	7,247,877	306,940	363,247	2,582,112	50,564,504			
2014-15	846,761	12,748,161	106,529	25,590,142	7,120,592	268,759	352,115	2,637,132	49,670,191			

(1) Capital grants and contributions includes the donation of Calfee Park and the Speedway to the County during the year valued at \$24,585,000.

Table 3

County of Pulaski, 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	Non-Departmental	Debt Service (3)	Total
2023-24	\$ 4,117,432	\$ 2,615,559	\$ 17,471,487	\$ 5,770,737	\$ 10,569,444	\$ 65,036,745	\$ 3,235,703	\$ 10,326,074	\$ 8,388	\$ 5,250,325	\$ 124,401,894
2022-23	3,776,515	2,400,505	16,261,710	3,507,102	9,621,703	65,520,111	2,924,040	3,230,147	8,316	5,820,362	113,070,511
2021-22	4,055,510	2,163,468	16,137,470	3,051,879	9,484,449	55,209,956	2,366,297	2,062,799	7,825	5,805,515	100,345,168
2020-21	3,763,728	2,110,508	17,481,716	2,709,910	9,447,348	51,058,145	2,909,632	3,015,242	-	6,378,184	98,874,413
2019-20	3,551,066	2,090,825	12,646,612	2,741,035	10,128,218	49,471,676	2,443,175	1,279,627	-	6,421,927	90,774,161
2018-19	3,309,300	2,083,683	11,350,386	2,364,247	9,777,818	49,109,733	2,087,391	1,211,765	-	6,368,340	87,662,663
2017-18	3,256,810	2,061,752	9,584,427	3,266,501	10,519,706	47,520,022	1,600,164	3,481,924	52,143	3,685,580	85,029,029
2016-17	2,705,363	2,015,564	10,764,367	2,755,809	11,099,772	48,196,247	1,555,062	1,889,719	-	3,253,181	84,235,084
2015-16	2,656,161	1,936,077	9,472,446	2,399,136	11,601,877	47,273,041	1,571,268	2,445,903	11,203	7,969,056	87,336,168
2014-15	2,682,677	1,855,350	9,701,372	3,541,420	10,417,669	46,858,303	1,550,851	5,233,090	149,816	3,013,268	85,003,816

(1) Includes Primary Government (excluding School Construction) and its Discretely Presented Component Unit-School Board. Excludes the School Activity Fund.

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

(3) Debt service increased in fiscal year 2018-19 to reflect the PCMS Bonds repayments.

(4) Community Development includes contributions to the EDA from the County totaling \$6,131,001 related predominately to the buyout of a lessee from their lease obligation.

Table 4

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

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (2)	Total
2023-24	\$ 38,855,885	\$ 10,766,378	\$ 147,648	\$ 108,171	\$ 2,638,280	\$ 1,883,828	\$ 455,618	\$ 3,189,590	\$ 68,571,013	\$ 126,616,411
2022-23	38,271,387	10,468,228	155,002	112,776	1,082,527	2,365,947	882,712	4,347,688	64,576,410	122,262,677
2021-22	35,810,946	9,381,335	182,475	116,647	335,996	1,748,918	444,670	2,009,560	57,969,864	108,000,411
2020-21	33,047,088	8,666,350	149,347	159,901	479,241	1,979,569	185,779	2,187,056	57,710,522	104,564,853
2019-20	31,124,002	8,270,789	160,975	191,397	508,978	2,632,620	219,239	2,276,197	49,248,445	94,632,642
2018-19	31,255,925	7,849,693	258,938	390,284	546,004	1,634,994	374,573	1,529,417	47,423,369	91,263,197
2017-18	28,775,279	7,479,531	145,952	83,229	379,044	1,947,060	228,308	2,013,767	46,775,323	87,827,493
2016-17	26,298,277	7,476,305	134,340	60,363	383,286	1,952,158	227,596	2,508,787	47,773,424	86,814,536
2015-16	25,713,685	7,247,877	128,556	30,051	319,238	1,887,874	138,056	1,670,611	46,644,090	83,780,038
2014-15	25,192,418	7,120,592	147,521	120,427	287,464	2,198,388	361,530	1,694,079	46,388,682	83,511,101

(1) Includes Primary Government (excluding School Construction) and its Discretely Presented Component Unit-School Board. Excludes the School Activity Fund.

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

Table 5

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

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1)	Percent of Delinquent Taxes to Tax Levy
2023-24	\$ 40,711,731	\$ 39,388,228	96.75%	\$ 229,544	\$ 39,617,772	97.31%	\$ 4,841,432	11.89%
2022-23	39,713,416	38,651,657	97.33%	252,455	38,904,112	97.96%	4,528,278	11.40%
2021-22	37,370,050	36,532,960	97.76%	101,584	36,634,544	98.03%	4,814,435	12.88%
2020-21	34,955,086	33,907,541	97.00%	173,420	34,080,961	97.50%	5,233,629	14.97%
2019-20	33,288,666	32,043,223	96.26%	101,596	32,144,819	96.56%	4,494,676	13.50%
2018-19	32,948,802	32,161,771	97.61%	104,256	32,266,027	97.93%	4,187,829	12.71%
2017-18	30,535,084	29,717,045	97.32%	110,615	29,827,660	97.68%	3,749,643	12.28%
2016-17	28,049,095	27,267,139	97.21%	82,924	27,350,063	97.51%	3,634,099	12.96%
2015-16	27,548,852	26,677,079	96.84%	170,543	26,847,622	97.45%	3,232,106	11.73%
2014-15	26,742,150	26,254,911	98.18%	93,368	26,348,279	98.53%	3,428,552	12.82%

(1) Includes penalty and interest.

Table 6

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

Fiscal Year	Real Estate	Personal Property and Mobile			Machinery and Tools	Public Service (2)	Total
		Home					
2023-24	\$ 3,093,290,950	\$ 496,305,040	\$ 359,740,008	\$ 139,324,955	\$ 4,088,660,953		
2022-23	3,036,147,200	501,905,066	318,635,475	121,820,183	3,978,507,924		
2021-22	2,977,599,900	413,442,372	301,191,744	178,056,052	3,870,290,068		
2020-21	2,786,596,625	368,610,820	290,271,558	149,943,179	3,595,422,182		
2019-20	2,601,630,003	351,551,716	275,139,003	138,554,825	3,366,875,547		
2018-19	2,575,140,103	342,672,126	280,377,041	138,533,409	3,336,722,679		
2017-18	2,550,432,050	332,759,391	260,827,009	145,064,073	3,289,082,523		
2016-17	2,537,515,050	319,208,214	236,896,594	149,228,267	3,242,848,125		
2015-16	2,524,308,875	308,155,852	228,505,168	144,390,827	3,205,360,722		
2014-15	2,599,360,300	299,330,652	208,708,502	141,855,487	3,249,254,941		

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

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

Table 7

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

Fiscal Year	Real Estate	Personal Property	Machinery and Tools	Mobile Homes
2023-24	\$ 0.74	2.35	1.50	0.74
2022-23	0.74	2.35	1.50	0.74
2021-22	0.74	2.35	1.50	0.74
2020-21	0.77	2.35	1.50	0.77
2019-20	0.77	2.35	1.50	0.77
2018-19	0.77	2.35	1.50	0.77
2017-18 (3)	0.64/0.77	2.35	1.50	0.64
2016-17	0.64	2.35	1.50	0.64
2015-16	0.64	2.35	1.50	0.64
2014-15 (2)	0.59/0.64	2.35	1.50	0.64

(1) Per \$100 of assessed value.

(2) Real estate rates increased from \$0.59 to \$.64 beginning with the first half 2015.

(3) Real estate rates increased from \$0.64 to \$0.77 beginning with the first half 2018.

Table 8

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

Fiscal Year	Population (1)	Assessed Value (in Thousands) (2)	Gross Bonded Debt (3)	Net Bonded Debt	Ratio of	
					Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2023-24	33,706	\$ 4,088,661	\$ 44,106,562	\$ 44,106,562	1.08%	\$ 1,309
2022-23	33,706	3,978,508	47,655,923	47,655,923	1.20%	1,414
2021-22	33,706	3,870,290	51,611,569	51,611,569	1.33%	1,531
2020-21	33,800	3,595,422	55,432,788	55,432,788	1.54%	1,640
2019-20	34,872	3,366,876	59,704,155	59,704,155	1.77%	1,712
2018-19	34,872	3,336,723	63,874,793	63,874,793	1.91%	1,832
2017-18	34,872	3,289,083	66,528,621	66,528,621	2.02%	1,908
2016-17	34,872	3,242,848	22,709,144	22,709,144	0.70%	651
2015-16	34,872	3,205,361	20,094,769	20,094,769	0.63%	576
2014-15	34,872	3,249,255	23,671,302	23,671,302	0.73%	679

(1) Bureau of the Census.

(2) Assessments 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 post-closure monitoring, leases, subscriptions and compensated absences.

Table 9

County of Pulaski, Virginia

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

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2023-24 (2)	\$ 3,672,128	\$ 1,578,197	\$ 5,250,325	\$ 124,401,894	4.22%
2022-23	4,070,866	1,749,496	5,820,362	113,070,511	5.15%
2021-22	3,853,487	1,897,585	5,751,072	100,345,168	5.73%
2020-21	4,271,367	2,055,266	6,326,633	98,874,413	6.40%
2019-20	4,170,638	2,222,850	6,393,488	90,774,161	7.04%
2018-19	4,177,665	2,190,675	6,368,340	87,662,663	7.26%
2017-18	2,482,797	738,402	3,221,199	85,029,029	3.79%
2016-17	2,433,902	819,279	3,253,181	84,235,084	3.86%
2015-16	7,095,430	873,626	7,969,056	87,336,168	9.12%
2014-15	2,109,205	904,063	3,013,268	85,003,816	3.54%

(1) Includes Primary Government (excluding School Construction) and its Discretely Presented Component Unit-School Board.

(2) Includes contributions to the EDA from the County totaling \$6,131,001 related predominately to the buyout of a lessee from their lease obligation.

COMPLIANCE SECTION



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

**To the Honorable Members of
the Board of Supervisors
County of Pulaski, 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 Pulaski, Virginia as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County of Pulaski, Virginia's basic financial statements and have issued our report thereon dated April 10, 2025.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2042-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

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

Blacksburg, Virginia
April 10, 2025



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Pulaski, 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 Pulaski, Virginia's major federal programs for the year ended June 30, 2024. The County of Pulaski, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County of Pulaski, Virginia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Robinson Jarmon, Cox, Associates

Blacksburg, Virginia
April 10, 2025

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

Federal Grantor/State Pass Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
Department of Health and Human Services:				
Pass through Payments:				
Virginia Department of Education:				
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Unknown	\$ 1,895	
Virginia Department of Social Services:				
Temporary Assistance for Needy Families (TANF)	93.558	400123/400124		414,334
<i>CCDF Cluster:</i>				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	760123/760124		93,177
MaryLee Allen Promoting Safe and Stable Families Program	93.556	950122/950123		5,346
Refugee and Entrant Assistance - State/Replacement Designee Administered Programs	93.566	500123/500124		1,994
Low-Income Home Energy Assistance	93.568	600423/600424		101,481
Stephanie Tubbs Jones Child Welfare Services Program	93.645	900122		363
Foster Care - Title IV-E	93.658	1100123/1100124		326,964
Adoption Assistance	93.659	1120123/1120124		737,095
Social Services Block Grant	93.667	1000123/1000124		416,797
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150122/9150123		6,980
Children's Health Insurance Program	93.767	540123/540124		6,605
<i>Medicaid Cluster:</i>				
Medical Assistance Program	93.778	1200123/1200124		567,251
Guardianship Assistance	93.090	1110123/1110124		542
Title IV-E Prevention Program	93.472	1140123/1140124		7,764
Elder Abuse Prevention Interventions Program	93.747	8000321		15,583
Chafee Education and Training Vouchers Program (ETV)	93.599	9160122/9160123		10,510
Total Department of Health and Human Services			\$ 2,714,681	
Department of Agriculture:				
Pass through Payments:				
Virginia Department of Agriculture:				
Team Nutrition Grants	10.574	APE600720000	\$ 175	
<i>Child Nutrition Cluster:</i>				
Virginia Department of Education:				
Summer Food Service Program for Children	10.559	APE603020000; APE603030000	\$ 83,913	
Virginia Department of Agriculture:				
Summer Food Service Program for Children (Note 3)	10.559	Unknown	2,238	\$ 86,151
National School Lunch Program (Note 3)	10.555	Unknown	\$ 185,662	
Virginia Department of Education:				
National School Lunch Program (NSLP)	10.555	APE402540000; APE411080000	1,996,369	2,182,031
School Breakfast Program (SBP)	10.553	APE402530000		909,198
<i>Total Child Nutrition Cluster</i>				
Child and Adult Care Food Program (CACFP)	10.558	APE700270000; APE700280000		3,177,380
<i>Forest Service Schools and Roads Cluster:</i>				
Schools and Roads - Grants to States	10.665	APE438410000		19,705
Pandemic Electronic Benefit Transfer Administrative Costs	10.649	DOE865560000		3,256
Virginia Department of Social Services:				
<i>SNAP Cluster:</i>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	10123/10124 40123/40124		706,012
Total Department of Agriculture			\$ 3,940,946	
Department of Justice:				
Pass through Payments:				
Virginia Department of Criminal Justice Services:				
		2020V2GX0048/15POVC21GG00602AS		
Crime Victim Assistance	16.575	SI/ 15POVC22GG00681ASSI	\$ 119,086	
Justice Assistance Act Grant Program	16.738	15PBJA22GG00616MUMU		822
Total Department of Justice			\$ 119,908	
Department of Transportation:				
Pass-through payments:				
Virginia Department of Motor Vehicles:				
Alcohol Open Container Requirements	20.607	ENF_AL-2023-53262-23262/ENF_AL-2024-54097-24097	\$ 23,459	
<i>Highway Safety Cluster:</i>				
State and Community Highway Safety	20.600	BPT-2023-53271-23271/ FSC-2022-52251-22251		22,821
Total Department of Transportation			\$ 46,280	
Department of Education:				
Pass through Payments:				
Virginia Department of Education:				
Title I: Grants to Local Educational Agencies	84.010	APE429010000	\$ 1,032,725	
<i>Special Education Cluster:</i>				
Special Education - Grants to States	84.027	APE402870000; APE430710000	\$ 1,136,774	
Special Education - Preschool Grants	84.173	APE625210000	35,964	
<i>Total Special Education Cluster</i>				
Career and Technical Education - Basic Grants to States	84.048	APE600310000		95,857
English Language Acquisition State Grants	84.365	Unknown		5,870
Supporting Effective Instruction State Grant	84.367	APE614800000		149,797
Student Support and Academic Enrichment Program	84.424	APE602810000		152,476
<i>Education Stabilization Fund:</i>				
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	Unknown	\$ 8,856	
COVID-19 - American Rescue Plan-Elementary and Secondary School Emergency Relief	84.425U	APE501930000; APE501950000	3,996,095	
<i>Total Education Stabilization Fund</i>				
Total Department of Education			\$ 6,614,414	

County of Pulaski, Virginia
Schedule of Expenditures of Federal Awards (continued)
For the Fiscal Year Ended June 30, 2024

Federal Grantor/State Pass Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
Department of Labor:				
Pass through Payments:				
Virginia Community College System:				
WIOA Cluster:				
WIA/WIOA Adult Program	17.258	Unknown	\$ 1,095,495	
WIA/WIOA Dislocated Worker Formula Grants	17.278	Unknown	609,037	
WIA/WIOA Youth Activities	17.259	Unknown	<u>1,419,493</u>	
Total WIOA Cluster			\$ 3,124,025	\$ 3,124,025
Total Department of Labor			<u>\$ 3,124,025</u>	
Executive Office of the President				
Pass through Payments:				
Appalachia HIDTA				
High Intensity Drug Trafficking Areas Program	95.001	Unknown	\$ 16,367	
Department of Homeland Security:				
Pass through Payments:				
Virginia Department of Emergency Management:				
Emergency Management Performance Grants	97.042	EMP-2023-EP-00006	\$ 16,904	
Homeland Security Grant Program	97.067	EMW-2022-SS-0082	<u>41,817</u>	
Total Department of Homeland Security			\$ 58,721	
Department of the Treasury:				
Direct Payments:				
Local Assistance and Tribal Consistency Fund	21.032	Not applicable	\$ 50,000	
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Not applicable	\$ 2,551,083	\$ 2,000,000
Pass through Payments:				
Virginia Department of Criminal Justice Services:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown	482,921	
Virginia Department of Social Services:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	9122222	15,780	
Virginia Department of Education:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	APE452770000	29,837	
Total Department of the Treasury			<u>3,079,621</u>	
Total Federal Expenditures			<u>\$ 3,129,621</u>	<u>\$ 5,124,025</u>

Notes to Schedule of Expenditures of Federal Awards

Note 1 -- Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Pulaski, Virginia under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Pulaski, Virginia, it is not intended to and does not present the financial

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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass through entity identifying numbers are presented where available.
- (3) The County did not elect to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

Note 3 -- Food Donation

Nonmonetary assistance is reported in the schedule at the fair market value of commodities received and disbursed. At June 30, 2024, the County had no food commodities in inventory.

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 -- Relationship to the Financial Statements:

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

Intergovernmental federal revenues per the basic financial statements:

Primary Government:

General Fund

\$ 19,622,683

Less: Payments from Commonwealth and Other Local Governments

(12,798,710)

Add: Direct Payments to New River Valley Regional Commission

3,124,025

Less: Payments in Lieu of Taxes

(64,115)

Total Primary Government

\$ 9,883,883

Component Unit School Board:

School Operating Fund

\$ 9,881,080

Total federal expenditures per the Schedule of Expenditures of Federal Awards

\$ 19,764,963

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:
 Material weakness(es) identified? Yes

Significant deficiency(ies)? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:
 Material weakness(es) identified? No

Significant deficiency(ies)? None reported

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

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

Identification of major programs:

<u>Assistance Listing #</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds
84.425	Education Stabilization Fund
84.010	Title I: Grants to Local Educational Agencies
84.027/84.173	Special Education Cluster

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

Auditee qualified as low-risk auditee? No

Section II - Financial Statement Findings

2024-001	Material Weakness
Criteria:	General and subsidiary ledgers should reconcile to one another.
Condition:	The County maintains accounting systems in the Treasurer's Office and the County Office that are not integrated. Accordingly, a batch upload process and reconciliations between the systems are necessary to ensure the County's financial statements are correct.
Effect:	The County has been unable to close months in the system in a timely manner; therefore, interim reporting was inaccurate and the annual close process was delayed significantly.
Cause:	The monthly close and reconciliation process have not been performed timely.
Recommendation:	The County should implement a monthly close process with defined timing parameters so that all Departments are aware of the close requirements. The monthly close process should occur within 30 days after month end. Alternatively, the systems could be integrated.
Management's Response:	Management concurs with the recommendation and has performed reconciliations between the two systems for fiscal year 2024; however, the reconciliations were not performed timely as recommended.

2024-002	Material Weakness
Criteria:	Bank reconciliations should be performed monthly to the County's accounting software (Munis). Any reconciling items (outstanding checks, deposits in transit, etc.) should be supported by a detailed listing of items that can be tested and substantiated.
Condition:	The monthly bank reconciliation is prepared and agreed to a manual ledger rather than Munis. We noted during our audit that the bank reconciliation did not agree to the County's accounting software and required an initial adjustment of approximately \$290,000. Upon further review by management, the adjustment was reduced to approximately \$17,000.
Effect:	The monthly and annual financial statements could contain significant errors.
Cause:	Munis is not utilized to assist in performing the monthly bank reconciliation.
Recommendation:	The Treasurer's office in conjunction with the County should develop a process to reconcile the bank accounts to the County's accounting software (Munis).
Management's Response:	The County and Treasurer will work toward developing a process to reconcile the bank accounts to Munis.

Section III - Federal Award Findings and Questioned Costs

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

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

2023-001

- Condition: The financial statements as presented for audit, did not contain all necessary adjustments to comply with generally accepted accounting principles (GAAP). As such, proposed adjustments that were material to the financial statements were necessary.
- Recommendation: The County should review the auditors' proposed audit adjustments for the fiscal year and develop a plan to ensure the trial balances and related schedules are accurately presented for audit.
- Current Status: The finding was corrected during fiscal year 2024.

2023-002

- Condition: The County maintains accounting systems in the Treasurer's Office and the County Office that are not integrated. Accordingly, a batch upload process and reconciliations between the systems are necessary to ensure the County's financial statements are correct.
- Recommendation: The County should implement a process wherein batch uploads are performed at a minimum weekly and a reconciliation between systems is performed monthly. The monthly close process should occur within 30 days after month end. Alternatively, the systems should be integrated.
- Current Status: Finding 2023-002 was repeated in the current year as 2024-001.

2023-003

- Condition: The monthly bank reconciliation is prepared and agreed to a manual ledger rather than Munis. Additionally, the outstanding checks provided included approximately \$532,933 of outstanding items that had either cleared the bank or been voided in the system. There appeared to be approximately \$663,059 in EFT's in transit that should be included on the outstanding items list that were not included. Lastly, the reconciliation included \$369,572 for credit cards in transit for which documentation was not provided to substantiate the total.
- Recommendation: Any reconciling items on the bank reconciliation should be supported by a detailed listing. Documentation for the items should be maintained for audit purposes. Additionally, the bank reconciliation should be performed to agree to Munis.
- Current Status: Finding 2023-003 was repeated in the current year as 2024-002.

2023-004

- Condition: The P&E report for 21.027 - Coronavirus State and Local Fiscal Recovery Funds was certified after the deadline on July 10, 2023.
- Recommendation: Management should review the reporting requirements under the federal program and ensure timely reporting going forward.
- Current Status: The finding was corrected during fiscal year 2024.