

COUNTY OF BLAND, VIRGINIA

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

COUNTY OF BLAND, VIRGINIA
 FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2023

TABLE OF CONTENTS

INTRODUCTORY SECTION

	<u>Page</u>
List of Elected and Appointed Officials	1

FINANCIAL SECTION

Independent Auditors' Report	2-4
------------------------------------	-----

	<u>Exhibit</u>	<u>Page</u>
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	1	5
Statement of Activities	2	6
Fund Financial Statements:		
Balance Sheet - Governmental Funds	3	7
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	4	8
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	5	9
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6	10
Statement of Net Position - Proprietary Funds	7	11
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	8	12
Statement of Cash Flows - Proprietary Funds	9	13
Statement of Net Position - Fiduciary Fund	10	14
Statement of Changes in Fiduciary Net Position - Fiduciary Fund	11	15
Notes to the Financial Statements		16-84

Required Supplementary Information:

Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual:		
General Fund	12	85
Pension Plans		
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - Primary Government	13	86
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - Component Unit School Board (nonprofessional)	14	87
Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan	15	88
Schedule of Employer Contributions	16	89
Notes to Required Supplementary Information	17	90
Other Postemployment Benefits - Healthcare - Primary Government		
Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios	18	91
Notes to Required Supplementary Information	19	92

COUNTY OF BLAND, VIRGINIA
 FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2023

TABLE OF CONTENTS (CONTINUED)

FINANCIAL SECTION (Continued)

	<u>Exhibit</u>	<u>Page</u>
Required Supplementary Information: (Continued)		
Other Postemployment Benefits - Healthcare - Component Unit School Board		
Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios	20	93
Notes to Required Supplementary Information.....	21	94
Other Postemployment Benefits - Group Life Insurance (GLI) Plan		
Schedule of Employer's Share of Net OPEB Liability	22	95
Schedule of Employer Contributions	23	96
Notes to Required Supplementary Information.....	24	97
Other Postemployment Benefits - Health Insurance Credit (HIC) Plan		
Schedule of Changes in the Employer's Net OPEB Liability (Asset) and Related Ratios - Primary Government	25	98
Schedule of Changes in the Employer's Net OPEB Liability (Asset) and Related Ratios - Component Unit School Board (nonprofessional).....	26	99
Schedule of Employer Contributions	27	100
Notes to Required Supplementary Information.....	28	101
Other Postemployment Benefits - Teacher Employee Health Insurance Credit (HIC) Plan		
Schedule of School Board's Share of Net OPEB Liability	29	102
Schedule of Employer Contributions	30	103
Notes to Required Supplementary Information.....	31	104
Other Supplementary Information:		
Combining Statement of Net Position - Proprietary Funds	32	105
Combining Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds.....	33	106
Combining State of Cash Flows - Proprietary Funds	34	107
Discretely Presented Component Unit - School Board:		
Balance Sheet	35	108
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	36	109
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	37	110
Supporting Schedules:		
	<u>Schedule</u>	<u>Page</u>
Schedule of Revenues - Budget and Actual - Governmental Funds	1	111-115
Schedule of Expenditures - Budget and Actual - Governmental Funds	2	116-119

COUNTY OF BLAND, VIRGINIA
 FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2023

TABLE OF CONTENTS (CONTINUED)

FINANCIAL SECTION (Continued)

Other Statistical Information:	<u>Table</u>	<u>Page</u>
Government-wide information:		
Government-Wide Expenses by Function	1	120
Government-Wide Revenues	2	121
General Governmental Expenditures by Function	3	122
General Governmental Revenues by Source	4	123
Property Tax Levies and Collections	5	124
Assessed Value of Taxable Property	6	125
Property Tax Rates	7	126
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	8	127
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures.....	9	128

COMPLIANCE SECTION

	<u>Page</u>
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 <i>Government Auditing Standards</i>	129-130
Independent Auditors' Report on Compliance For Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.....	131-133
Schedule of Expenditures of Federal Awards	134-135
Schedule of Findings and Questioned Costs.....	136-137
Summary Schedule of Prior Audit Findings.....	138

INTRODUCTORY SECTION

COUNTY OF BLAND, VIRGINIA

BOARD OF SUPERVISORS

Stephen Kelley, Vice-Chair	Adam Kidd, Chair Randy Johnson	Keith Costello
----------------------------	-----------------------------------	----------------

COUNTY SCHOOL BOARD

Dave Andrews, Vice-Chair	Duane Bailey, Chair Phillip Buttery	JP Agee
--------------------------	--	---------

SOCIAL SERVICES BOARD

DeeDee Hoosier Melinda Litton	Michelle Farmer, Chair	Stephen Kelley Krystal Carver Perdue
----------------------------------	------------------------	---

OTHER OFFICIALS

Interim Clerk of the Circuit Court	Lisa Hall
Commonwealth's Attorney	Patrick White
Commissioner of the Revenue.....	Cindy U. Wright
Treasurer	John F. Goins
Sheriff	Jason Ramsey
Superintendent of Schools	Laura Radford
Director of Social Services	Alicia Adkins
County Administrator	Cameron Burton
County Attorney	Paul Cassell

FINANCIAL SECTION



Independent Auditors' Report

**To the Board of Supervisors
County of Bland, Virginia
Bland, Virginia**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Bland, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Bland, Virginia, as of and for the year ended June 30, 2023, 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 Bland, 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 Bland, Virginia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Bland, Virginia's basic financial statements. The accompanying other supplementary information and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information 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 other statistical information but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023, on our consideration of the County of Bland, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County of Bland, 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 Bland, Virginia's internal control over financial reporting and compliance.

Polina, Faver, Cox Associates

Blacksburg, Virginia
December 21, 2023

Basic Financial Statements

County of Bland, Virginia
Statement of Net Position
June 30, 2023

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	School Board	Economic Development Authority (EDA)	Wireless Authority
ASSETS						
Cash and cash equivalents	\$ 5,505,479	\$ 242,077	\$ 5,747,556	\$ 3,151,770	\$ -	\$ -
Cash in custody of others	-	-	-	463,825	472,714	-
Receivables (net of allowance for uncollectibles):						
Taxes receivable	5,757,566	-	5,757,566	-	-	-
Accounts receivable	216,236	117,733	333,969	15,675	-	-
Grants receivable	-	174	174	-	-	-
Other receivable	256,347	-	256,347	-	-	-
Loans receivable	-	-	-	-	166,202	-
Lease receivable	16,869	-	16,869	-	-	-
Due from primary government	-	-	-	149,484	-	-
Due from other governmental units	1,289,266	-	1,289,266	233,724	-	-
Inventories	13,463	-	13,463	-	-	-
Prepaid items	59,265	-	59,265	117,715	-	-
Net pension asset	-	-	-	155,202	-	-
Restricted assets:						
Cash and cash equivalents	-	242,482	242,482	-	-	-
Capital assets:						
Capital assets, not being depreciated/amortized	2,438,205	819,161	3,257,366	1,470,513	420,159	-
Capital assets, net of accumulated depreciation/amortization	3,404,435	16,384,559	19,788,994	3,006,793	1,457,941	263,418
Total Assets	\$ 18,957,131	\$ 17,806,186	\$ 36,763,317	\$ 8,764,701	\$ 2,517,016	\$ 263,418
DEFERRED OUTFLOWS OF RESOURCES						
Pension related items	\$ 403,261	\$ 68,116	\$ 471,377	\$ 1,217,755	\$ -	\$ -
OPEB related items	53,464	-	53,464	200,039	-	-
Total Deferred Outflows of Resources	\$ 456,725	\$ 68,116	\$ 524,841	\$ 1,417,794	\$ -	\$ -
LIABILITIES						
Accounts payable and other accrued liabilities	\$ 97,912	\$ 19,956	\$ 117,868	\$ 719,844	\$ -	\$ 77
Unearned revenue	161,674	-	161,674	-	-	-
Customers' deposits	-	9,600	9,600	-	-	-
Accrued interest payable	13,895	13,203	27,098	-	1,508	-
Due to component unit	149,484	-	149,484	-	-	-
Noncurrent liabilities:						
Due within one year	388,114	229,180	617,294	66,872	18,295	-
Due in more than one year	3,362,317	8,004,267	11,366,584	5,407,382	498,715	-
Total Liabilities	\$ 4,173,396	\$ 8,276,206	\$ 12,449,602	\$ 6,194,098	\$ 518,518	\$ 77
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue - property taxes	\$ 5,041,453	\$ -	\$ 5,041,453	\$ -	\$ -	\$ -
Leases related items	16,249	-	16,249	-	-	-
Pension related items	586,024	48,997	635,021	1,084,770	-	-
OPEB related items	45,143	-	45,143	237,850	-	-
Total Deferred Inflows of Resources	\$ 5,688,869	\$ 48,997	\$ 5,737,866	\$ 1,322,620	\$ -	\$ -
NET POSITION						
Net investment in capital assets	\$ 4,112,716	\$ 9,054,530	\$ 13,167,246	\$ 4,477,306	\$ 1,361,090	\$ 263,418
Restricted:						
Pension asset	-	-	-	155,202	-	-
Asset forfeiture funds	31,706	-	31,706	-	-	-
Indian village grants	22,978	-	22,978	-	-	-
Broadband expansion project-ARC	2,500	-	2,500	-	-	-
Opioid settlement funds	257,277	-	257,277	-	-	-
Debt service and bond covenants	-	242,482	242,482	-	-	-
School cafeteria	-	-	-	255,129	-	-
School activity funds	-	-	-	208,696	-	-
School construction funds	-	-	-	1,047,694	-	-
Unrestricted (deficit)	5,124,414	252,087	5,376,501	(3,478,250)	637,408	(77)
Total Net Position	\$ 9,551,591	\$ 9,549,099	\$ 19,100,690	\$ 2,665,777	\$ 1,998,498	\$ 263,341

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

County of Bland, Virginia
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position							
	Expenses	Charges for Services	Operating		Governmental Activities	Business-type Activities	Component Units					
			Grants and Contributions	Capital Grants and Contributions			School Board	EDA	Wireless Authority			
PRIMARY GOVERNMENT:												
Governmental activities:												
General government administration	\$ 1,355,589	\$ 3,648	\$ 240,297	\$ -	\$ (1,111,644)	\$ -	\$ (1,111,644)					
Judicial administration	634,657	1,728	463,088	-	(169,841)	-	(169,841)					
Public safety	2,378,204	391,990	954,973	-	(1,031,241)	-	(1,031,241)					
Public works	1,022,643	396,520	9,570	417,306	(199,247)	-	(336,980)					
Health and welfare	1,517,243	-	1,180,263	-	(336,980)	-	(336,980)					
Education	2,825,188	-	-	-	(2,825,188)	-	(2,825,188)					
Parks, recreation, and cultural	391,166	11,330	49,369	262,112	(68,355)	-	(68,355)					
Community development	791,349	1,312	116,385	-	(673,652)	-	(673,652)					
Interest on long-term debt	40,657	-	-	-	(40,657)	-	(40,657)					
Total governmental activities	\$ 10,956,696	\$ 806,528	\$ 3,013,945	\$ 679,418	\$ (6,456,805)	\$ -	\$ (6,456,805)					
Business-type activities:												
Service Authority	\$ 1,659,510	\$ 735,607	\$ -	\$ 112,173	\$ (811,730)	\$ (811,730)	\$ (811,730)					
Total primary government	\$ 12,616,206	\$ 1,542,135	\$ 3,013,945	\$ 791,591	\$ (6,456,805)	\$ (811,730)	\$ (7,268,535)					
COMPONENT UNITS:												
School Board	\$ 10,541,902	\$ 308,388	\$ 8,583,550	\$ 1,179,814	\$ -	\$ (470,150)	\$ (470,150)					
Economic Development Authority (EDA)	221,303	-	-	-	-	-	(221,303)					
Wireless Authority	18,763	-	-	-	-	-	(18,763)					
Total component units	\$ 10,781,968	\$ 308,388	\$ 8,583,550	\$ 1,179,814	\$ -	\$ (470,150)	\$ (221,303)					
General revenues and transfers:												
General property taxes					\$ 5,660,679	\$ -	\$ 5,660,679					
Other local taxes:												
Local sales and use taxes					503,849	-	503,849					
Consumers' utility taxes					164,995	-	164,995					
Restaurant food taxes					363,087	-	363,087					
Motor vehicle licenses					115,175	-	115,175					
Franchise license tax					36,287	-	36,287					
Consumption taxes					20,491	-	20,491					
Taxes on recordings and wills					25,797	-	25,797					
Other local taxes					227,639	-	227,639					
Unrestricted revenues from use of money					40,477	12,000	52,477		41,155		3,451	
Miscellaneous					591,306	695	592,001		377,660		39,448	
Contributions from Bland County					-	-	-		2,816,340		201,400	8,894
Grants and contributions not restricted to specific programs					1,338,386	-	1,338,386		-		-	-
Transfers					(634,139)	634,139	-		-		-	-
Total general revenues and transfers					\$ 8,454,029	\$ 646,834	\$ 9,100,863	\$ 3,235,155	\$ 244,299	\$ 8,894		
Change in net position					\$ 1,997,224	\$ (164,896)	\$ 1,832,328	\$ 2,765,005	\$ 22,996	\$ (9,869)		
Net position - beginning					7,554,367	9,713,995	17,268,362	(99,228)	1,975,502	273,210		
Net position - ending					\$ 9,551,591	\$ 9,549,099	\$ 19,100,690	\$ 2,665,777	\$ 1,998,498	\$ 263,341		

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

County of Bland, Virginia
Balance Sheet
Governmental Funds
June 30, 2023

	<u>General</u>
ASSETS	
Cash and cash equivalents	\$ 5,505,479
Receivables (net of allowance for uncollectibles):	
Taxes receivable	5,757,566
Accounts receivable	216,236
Other receivable	256,347
Leases receivable	16,869
Due from other governmental units	1,289,266
Inventories	13,463
Prepaid items	59,265
Total assets	<u>\$ 13,114,491</u>
LIABILITIES	
Accounts payable	\$ 97,912
Unearned revenue	161,674
Due to component unit	149,484
Total liabilities	<u>\$ 409,070</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property taxes	\$ 5,804,164
Unavailable revenue - opioid settlement	207,480
Leases related items	16,249
Total deferred inflows of resources	<u>\$ 6,027,893</u>
FUND BALANCES	
Nonspendable:	
Prepaid items	\$ 59,265
Inventories	13,463
Restricted:	
Asset forfeiture funds	31,706
Indian village grants	22,978
Broadband expansion project-ARC	2,500
Opioid settlement	49,797
Committed:	
Courthouse maintenance	7,207
Courtroom security	75,375
Library Building	212,441
Assigned:	
Dare program	2,885
Patrol fund	13,624
Broadband Project	1,226
Capital improvements	228,739
Road improvements	4,181
General reserves	2,197,276
Unassigned	3,754,865
Total fund balances	<u>\$ 6,677,528</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,114,491</u>

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

County of Bland, Virginia
 Reconciliation of the Balance Sheet of Governmental Funds
 To the Statement of Net Position
 June 30, 2023

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	6,677,528
--	----	-----------

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

Capital assets, not being depreciated/amortized	\$ 2,438,205	
Capital assets being depreciated/amortized	10,587,268	
Accumulated depreciation/amortization	<u>(7,182,833)</u>	5,842,640

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	\$ 762,711	
Unavailable revenue - opioid settlement	<u>207,480</u>	970,191

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

Pension related items	\$ 403,261	
OPEB related items	<u>53,464</u>	456,725

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

Lease revenue bonds	\$ (1,550,000)	
Unamortized bond premium	(162,098)	
Lease liabilities	(17,826)	
Net OPEB liabilities	(546,562)	
Net pension liability	(863,696)	
Compensated absences	(294,538)	
Accrued interest payable	(13,895)	
Other long-term liabilities-Virginia Transportation Commission	<u>(315,711)</u>	(3,764,326)

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

Pension related items	\$ (586,024)	
OPEB related items	<u>(45,143)</u>	<u>(631,167)</u>

Net position of governmental activities	\$	<u>9,551,591</u>
---	----	------------------

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

County of Bland, Virginia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	<u>General</u>
REVENUES	
General property taxes	\$ 5,476,585
Other local taxes	1,457,320
Permits, privilege fees, and regulatory licenses	17,935
Fines and forfeitures	363,555
Revenue from the use of money and property	44,125
Charges for services	421,390
Miscellaneous	549,936
Recovered costs	247,715
Intergovernmental:	
Commonwealth	3,067,774
Federal	1,963,975
Total revenues	\$ 13,610,310
EXPENDITURES	
Current:	
General government administration	\$ 1,415,687
Judicial administration	656,055
Public safety	2,363,540
Public works	1,407,284
Health and welfare	1,559,446
Education	2,825,188
Parks, recreation, and cultural	632,320
Community development	901,671
Debt service:	
Principal retirement	174,600
Interest and other fiscal charges	59,945
Total expenditures	\$ 11,995,736
Excess (deficiency) of revenues over (under) expenditures	\$ 1,614,574
OTHER FINANCING SOURCES (USES)	
Transfers in	\$ 329,650
Transfers out	(963,789)
Total other financing sources (uses)	\$ (634,139)
Net change in fund balances	\$ 980,435
Fund balances - beginning	5,697,093
Fund balances - ending	\$ 6,677,528

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

County of Bland, Virginia
 Reconciliation of Statement of Revenues,
 Expenditures, and Changes in Fund Balances of Governmental Funds
 To the Statement of Activities
 For the Year Ended June 30, 2023

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

Net change in fund balances - total governmental funds	\$	980,435
--	----	---------

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/amortization expense. This is the detail of items supporting this adjustment:

Capital asset additions	\$ 924,821	
Depreciation expense/amortization expense	(435,117)	
Transfer of capital assets to the sewer fund	(41,170)	448,534

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

Change in unavailable revenue-property taxes	\$ 184,094	
Change in unavailable revenue-opioid settlement	41,370	225,464

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

Payments of principal:		
Lease revenue bonds	\$ 135,000	
Note payable - finance purchase	30,000	
Lease liabilities	9,600	174,600

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

Change in compensated absences	\$ (38,840)	
Change in pension related items	206,594	
Change in OPEB related items	(18,851)	
Change in accrued interest payable	1,763	
Amortization of bond premium	17,525	168,191

Change in net position of governmental activities	\$	<u>1,997,224</u>
---	----	------------------

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

County of Bland, Virginia
Statement of Net Position
Proprietary Funds
June 30, 2023

	Enterprise Fund	Component Units	
	Service Authority	EDA	Wireless Authority
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 242,077	\$ -	\$ -
Cash in custody of others	-	472,714	-
Loans receivable	-	166,202	-
Accounts receivable, net of allowance for uncollectibles	117,733	-	-
Grant receivable	174	-	-
Total current assets	<u>\$ 359,984</u>	<u>\$ 638,916</u>	<u>\$ -</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	\$ 242,482	\$ -	\$ -
Capital assets:			
Capital assets, not being depreciated	\$ 819,161	\$ 420,159	\$ -
Capital assets, net of accumulated depreciation	16,384,559	1,457,941	263,418
Total capital assets	<u>\$ 17,203,720</u>	<u>\$ 1,878,100</u>	<u>\$ 263,418</u>
Total noncurrent assets	<u>\$ 17,446,202</u>	<u>\$ 1,878,100</u>	<u>\$ 263,418</u>
Total assets	<u>\$ 17,806,186</u>	<u>\$ 2,517,016</u>	<u>\$ 263,418</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	\$ 68,116	\$ -	\$ -
Total deferred outflows of resources	<u>\$ 68,116</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 19,956	\$ -	\$ 77
Customers' deposits	9,600	-	-
Accrued interest payable	13,203	1,508	-
Compensated absences - current portion	22,245	-	-
Bonds payable - current portion	206,935	18,295	-
Total current liabilities	<u>\$ 271,939</u>	<u>\$ 19,803</u>	<u>\$ 77</u>
Noncurrent liabilities:			
Bonds payable - net of current portion	\$ 7,942,255	\$ 498,715	\$ -
Compensated absences - net of current portion	7,414	-	-
Net pension liability	54,598	-	-
Total noncurrent liabilities	<u>\$ 8,004,267</u>	<u>\$ 498,715</u>	<u>\$ -</u>
Total liabilities	<u>\$ 8,276,206</u>	<u>\$ 518,518</u>	<u>\$ 77</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related items	\$ 48,997	\$ -	\$ -
Total deferred inflows of resources	<u>\$ 48,997</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION			
Net investment in capital assets	\$ 9,054,530	\$ 1,361,090	\$ 263,418
Restricted for debt service and bond covenants	242,482	-	-
Unrestricted	<u>252,087</u>	<u>637,408</u>	<u>(77)</u>
Total net position	<u>\$ 9,549,099</u>	<u>\$ 1,998,498</u>	<u>\$ 263,341</u>

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

County of Bland, Virginia
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Enterprise Fund Service <u>Authority</u>	Component Units	
		<u>EDA</u>	<u>Wireless Authority</u>
OPERATING REVENUES			
Charges for services:			
Water revenues	\$ 349,502	\$ -	\$ -
Sewer revenues	357,757	-	-
Connection fees	3,976	-	-
Penalties	24,372	-	-
Other revenues	11,616	-	-
Miscellaneous	695	39,448	-
Total operating revenues	<u>\$ 747,918</u>	<u>\$ 39,448</u>	<u>\$ -</u>
OPERATING EXPENSES			
Salaries and fringes	\$ 269,105	\$ 795	\$ 706
Utilities	99,204	-	5,289
Purchase of chemicals	27,710	-	2,676
Purchase of water	198,183	-	-
Maintenance and repairs	138,775	-	-
Office expense	8,854	2,846	-
Insurance	11,033	-	166
Permits	5,712	-	-
Professional services	2,996	-	-
Miscellaneous	6,443	9,879	-
Economic incentive	-	115,000	-
Depreciation	703,416	74,402	9,926
Total operating expenses	<u>\$ 1,471,431</u>	<u>\$ 202,922</u>	<u>\$ 18,763</u>
Operating income (loss)	<u>\$ (723,513)</u>	<u>\$ (163,474)</u>	<u>\$ (18,763)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	\$ 384	\$ 3,451	\$ -
Interest expense	(188,079)	(18,381)	-
Total nonoperating revenues (expenses)	<u>\$ (187,695)</u>	<u>\$ (14,930)</u>	<u>\$ -</u>
Income before contributions and transfers	<u>\$ (911,208)</u>	<u>\$ (178,404)</u>	<u>\$ (18,763)</u>
Capital contributions and construction grants	\$ 112,173	\$ -	\$ -
Contributions from County	-	201,400	8,894
Transfers in (contributions from primary government)	1,145,742	-	-
Transfers out (project repayments to primary government)	(511,603)	-	-
Change in net position	<u>\$ (164,896)</u>	<u>\$ 22,996</u>	<u>\$ (9,869)</u>
Net position - beginning	<u>9,713,995</u>	<u>1,975,502</u>	<u>273,210</u>
Net position - ending	<u>\$ 9,549,099</u>	<u>\$ 1,998,498</u>	<u>\$ 263,341</u>

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

County of Bland, Virginia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Enterprise Fund	Component Units	
	Service Authority	EDA	Wireless Authority
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 735,646	\$ 39,448	\$ -
Payments to suppliers	(528,774)	(112,725)	(8,189)
Payments to and for employees	(255,343)	(795)	(706)
Net cash provided by (used for) operating activities	<u>\$ (48,471)</u>	<u>\$ (74,072)</u>	<u>\$ (8,895)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to primary government	\$ (511,603)	\$ -	\$ -
Contributions from primary government or component unit	1,145,742	201,400	8,894
Net cash provided by (used for) noncapital financing activities	<u>\$ 634,139</u>	<u>\$ 201,400</u>	<u>\$ 8,894</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Additions to capital assets	\$ (419,130)	\$ (56,400)	\$ -
Principal payments on bonds	(201,981)	(17,663)	-
Capital contributions received	70,829	-	-
Interest expense	(188,736)	(18,432)	-
Net cash provided by (used for) capital and related financing activities	<u>\$ (739,018)</u>	<u>\$ (92,495)</u>	<u>\$ -</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Principal payments received on loan receivable	\$ -	\$ 3,798	\$ -
Issuance of loan receivable	-	(50,000)	-
Interest income	384	3,451	-
Net cash provided by (used for) investing activities	<u>\$ 384</u>	<u>\$ (42,751)</u>	<u>\$ -</u>
Net increase (decrease) in cash and cash equivalents	\$ (152,966)	\$ (7,918)	\$ (1)
Cash and cash equivalents - beginning (including restricted cash and cash equivalents of \$211,661)	637,525	480,632	1
Cash and cash equivalents - ending (including restricted cash and cash equivalents of \$242,482)	<u>\$ 484,559</u>	<u>\$ 472,714</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (723,513)	\$ (163,474)	\$ (18,763)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	\$ 703,416	\$ 74,402	\$ 9,926
Loan receivable forgiveness shown as economic incentive	-	15,000	-
(Increase) decrease in accounts receivable	(12,272)	-	-
(Increase) decrease in deferred outflows of resources	38,564	-	-
Increase (decrease) in accounts payable	(29,864)	-	(58)
Increase (decrease) compensated absences	5,288	-	-
Increase (decrease) in net pension liability	18,084	-	-
Increase (decrease) in deferred inflows of resources	(48,174)	-	-
Total adjustments	<u>\$ 675,042</u>	<u>\$ 89,402</u>	<u>\$ 9,868</u>
Net cash provided by (used for) operating activities	<u>\$ (48,471)</u>	<u>\$ (74,072)</u>	<u>\$ (8,895)</u>
Noncash capital activities:			
Contributions of capital assets from government	\$ 41,170	\$ -	\$ -
Loan receivable forgiveness shown as economic incentive	-	15,000	-

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

County of Bland, Virginia
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2023

	<u>Custodial Fund Special Welfare</u>
ASSETS	
Cash and cash equivalents	<u>\$ 7,722</u>
NET POSITION	
Restricted for:	
Held for social services clients	<u>\$ 7,722</u>

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

County of Bland, Virginia
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
June 30, 2023

	<u>Custodial Fund Special Welfare</u>
ADDITIONS	
Special welfare collections	\$ 12,948
Interest	7
Total additions	<u>\$ 12,955</u>
DEDUCTIONS	
Special welfare expenditures	<u>\$ 14,502</u>
Net increase (decrease) in fiduciary net position	<u>\$ (1,547)</u>
Net position - beginning	<u>9,269</u>
Net position - ending	<u><u>\$ 7,722</u></u>

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

COUNTY OF BLAND, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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

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

Blended Component Units - The Bland County Service Authority provides water and sewer service to the County. The Service Authority is fiscally dependent upon the County. In addition, the County Board appoints the Service Authority's Board. A separate report is not issued for the Authority.

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

The Bland County School Board operates the elementary and secondary public schools in the County. School Board members are popularly elected. The School Board is fiscally dependent upon the County because the County approves all debt issuances of the School Board and provides significant funding to operate the public schools since the School Board does not have separate taxing powers. The School Board is presented as a governmental fund type. A separate report is not issued for the School Board.

The Bland County Economic Development Authority encourages and provides financing for economic development in the County. The Economic Development Authority board members are appointed by the Board of Supervisors. The Economic Development Authority is fiscally dependent upon the County. The Economic Development Authority is presented as an enterprise fund type. A separate report is not issued for the Economic Development Authority.

The Bland County Wireless Authority provides wireless internet services in the County. The Wireless Authority board members are appointed by the Board of Supervisors. The Wireless Authority is fiscally dependent upon the County. The Wireless Authority is presented as an enterprise fund type. A separate report is not issued for the Wireless Authority.

Related Organizations - The County has no related organizations.

Jointly Governed Organizations - The County of Bland and the County of Wythe participate in supporting the Wythe-Bland Service Authority. The respective governing bodies of the jurisdictions appoint the governing body of this organization. The Service Authority generates revenue through service charges for refuse disposal.

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

B. Government-Wide and Fund Financial Statements

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

The Statement of Net Position is designed to display the financial position of the primary government (governmental and business-type activities) and its discretely presented component units. Governments report all capital assets, including infrastructure, in the government-wide Statement of Net Position and report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of a government is 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.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. 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*. 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 as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

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 government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for and reports all financial resources of the general government, except those required to be accounted for in other funds. The general fund includes the activities of the Law Library Fund, the E-911 Fund, Federal Asset Forfeiture Funds, the Social Services Fund, the CSA Fund, the Selective Enforcement Fund, the Recreation Fund, Courthouse Maintenance Fund, Patrol Fund, the Courtroom Security Fund, Sheriff Asset Forfeiture Fund, Commonwealth's Attorney Asset Forfeiture, General Fund Reserves, Sheriff Dare Funds, Capital Improvement Fund, Broadband Expenditure Funds, Road Improvements, Rocky Gap Greenway Project, Library Building Fund, Industrial Park Expenditure Fund, and Indian Village.

The School Board reports the following major funds:

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

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

The government reports the following major proprietary funds:

The Bland County Service Authority provides water service to the County and is presented as a blended component unit.

Additionally, the government reports the following fund types:

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

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

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

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise fund are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

1. Cash and Cash Equivalents

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

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

Activity between funds that is 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 fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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

D. Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position/ Fund Balance (Continued)

4. Property Taxes

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

5. Allowance for Uncollectible Accounts

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$183,860 at June 30, 2023. The allowance consists of delinquent taxes in the amount of \$92,119, delinquent garbage bills of \$80,250, and delinquent water and sewer bills of \$11,491.

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. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, lease, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the County and Component Unit School Board as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

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

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20-40
Utility plant	20-40
Infrastructure	20-40
Machinery and equipment	4-30
Lease machinery and equipment	4
Land improvements	30

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

D. Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position/ Fund Balance (Continued)

8. Deferred Outflows/Inflows of Resources

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

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

9. Compensated Absences

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

10. Pensions

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

11. Other Postemployment Benefits (OPEB)

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

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

D. Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position/ Fund Balance (Continued)

11. Other Postemployment Benefits (OPEB) (Continued)

In addition to the VRS related OPEB, the County and School Board allow their retirees to stay on the health insurance plan after retirement. The retiree is required to pay the blended premium cost creating an implicit subsidy OPEB liability. In addition, retirees receive a monthly stipend toward their health insurance cost until the retiree is Medicare eligible.

12. Long-Term Obligations

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

13. 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." 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 not in spendable form (such as inventory and prepaids) or are 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 general 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.

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

D. Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position/ Fund Balance (Continued)

14. Fund Balance (Continued)

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.

The County considers restricted fund balance to be spent when an expenditure is incurred for purposes for which restricted and unassigned, assigned, or committed fund balances are available, unless prohibited by legal documents or contracts. When an expenditure is incurred for purposes for which committed, assigned or unassigned amounts are available, the County considers committed fund balance to be spent first, then assigned fund balance, and lastly unassigned fund balance.

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

16. Leases

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

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

D. Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Net Position/ Fund Balance (Continued)

16. Leases (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.

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).

Key Estimates and Judgments

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

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

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

17. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

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.

Note 2-Stewardship, Compliance, and Accountability:

A. Budgetary Information

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

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the function level. Only the Board of Supervisors can revise the appropriation for each department or category. The Board of Supervisors authorizes transfers of budgeted amounts within the general government departments and the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund. The School Operating Fund is integrated only at the level of legal adoption.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
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. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to commit that portion of the applicable appropriations, is not part of the County's accounting system.

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2023, the following departments had expenditures in excess of appropriations: board of supervisors, county administrator, fire department, refuse collection and disposal, E-911, and welfare and public assistance.

C. Deficit Fund Equity

At June 30, 2023, there were no funds with deficit fund equity.

Note 3-Deposits and Investments:

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 amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Note 3-Deposits and Investments: (Continued)

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). The County had no investments as of June 30, 2023.

Note 4-Due from Other Governmental Units:

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

	<u>Governmental Activities</u>	<u>Component Unit School Board</u>
<u>Commonwealth of Virginia:</u>		
Big Walker SWCD	\$ 81,215	\$ -
<u>Commonwealth of Virginia:</u>		
Local sales tax	92,593	-
State sales tax	-	138,443
Shared expenses	92,722	-
Categorical aid	8,523	-
Non-categorical aid	637,527	-
Virginia public assistance funds	23,617	-
Children’s Services Act (CSA)	38,234	-
<u>Federal Government:</u>		
Virginia public assistance funds	52,011	-
School grants	-	95,281
Categorical aid	262,824	-
Totals	<u>\$ 1,289,266</u>	<u>\$ 233,724</u>

Note 5-Interfund Transfers and Balances:

Interfund transfers for the year ended June 30, 2023 consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ 329,650	\$ 963,789
Service Authority:		
Water Fund	552,092	511,603
Sewer Fund	593,650	-
Total	<u>\$ 1,475,392</u>	<u>\$ 1,475,392</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2023

Note 5-Interfund Transfers and Balances: (Continued)

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

Note 6-Interfund/Component-Unit Obligations:

	<u>Due to Primary Government/ Component Unit</u>	<u>Due from Primary Government/ Component Unit</u>
Primary Government:		
General Fund	\$ 149,484	\$ -
Component Unit:		
School Board	\$ -	\$ 149,484

Note 7-Long-Term Obligations:

The following is a summary of long-term obligation transactions of the County for the year ended June 30, 2023.

	<u>Balance July 1, 2022</u>	<u>Increases/ Issuances</u>	<u>Decreases/ Retirements</u>	<u>Balance June 30, 2023</u>
Governmental Activities:				
Direct Borrowings and Placements				
Lease revenue bond	\$ 1,685,000	\$ -	\$ (135,000)	\$ 1,550,000
Deferred Amounts:				
Bond premium	179,623	-	(17,525)	162,098
Note payable - finance purchase	30,000	-	(30,000)	-
Total Direct Borrowings and Placements	<u>\$ 1,894,623</u>	<u>\$ -</u>	<u>\$ (182,525)</u>	<u>\$ 1,712,098</u>
Lease liabilities	27,426	-	(9,600)	17,826
Net pension liability	500,519	1,056,494	(693,317)	863,696
Net OPEB liabilities	514,238	234,722	(202,398)	546,562
Compensated absences	255,698	230,614	(191,774)	294,538
VA Transportation Commission payable	315,711	-	-	315,711
Total Governmental Activities	<u>\$ 3,508,215</u>	<u>\$ 1,521,830</u>	<u>\$ (1,279,614)</u>	<u>\$ 3,750,431</u>
Business-type Activities:				
Direct Borrowings and Placements				
Revenue Bonds	\$ 8,351,171	\$ -	\$ (201,981)	\$ 8,149,190
Total Direct Borrowings and Placements	<u>\$ 8,351,171</u>	<u>\$ -</u>	<u>\$ (201,981)</u>	<u>\$ 8,149,190</u>
Compensated Absences	24,371	23,566	(18,278)	29,659
Net pension liability	36,514	68,244	(50,160)	54,598
Total Business-type Activities	<u>\$ 8,412,056</u>	<u>\$ 91,810</u>	<u>\$ (270,419)</u>	<u>\$ 8,233,447</u>
Total Long-term Obligations	<u>\$ 11,920,271</u>	<u>\$ 1,613,640</u>	<u>\$ (1,550,033)</u>	<u>\$ 11,983,878</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2023

Note 7-Long-Term Obligations: (Continued)

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

Year Ending June 30,	Governmental Activities				Business-type Activities	
	Direct Borrowings and Placements		Lease Liabilities		Direct Borrowings and Placements	
	Lease Revenue Bond				Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 140,000	\$ 53,619	\$ 9,686	\$ 118	\$ 206,935	\$ 183,781
2025	145,000	48,191	8,140	33	212,013	178,703
2026	150,000	44,028	-	-	217,230	173,486
2027	155,000	39,122	-	-	222,588	168,128
2028	160,000	32,944	-	-	228,093	162,623
2029-2033	800,000	68,312	-	-	1,228,482	725,097
2034-2038	-	-	-	-	1,397,937	562,725
2039-2043	-	-	-	-	1,281,570	392,865
2044-2048	-	-	-	-	1,271,321	258,581
2049-2053	-	-	-	-	1,398,613	121,247
2054-2058	-	-	-	-	465,554	14,847
2059	-	-	-	-	18,854	73
Total	\$ 1,550,000	\$ 286,216	\$ 17,826	\$ 151	\$ 8,149,190	\$ 2,942,156

The remainder of this page is left blank intentionally.

COUNTY OF BLAND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2023

Note 7-Long-Term Obligations: (Continued)

Details of long-term obligations are as follows:

Type	Interest Rates	Installment Amounts	Final Maturity Date	Amount of Original Issue	Balance	Amount Due Within One Year
Governmental Activities:						
Direct Borrowings and Placements:						
Lease revenue bond - VRA 2012	2.163-4.821%	\$90,000-\$185,000 (a+)	4/1/2033	\$ 2,645,000	\$ 1,550,000	\$ 140,000
Deferred Amounts:						
Unamortized bond premium	n/a	n/a	n/a	n/a	162,098	17,524
Total Direct Borrowings and Placements					\$ 1,712,098	\$ 157,524
Lease Liabilities:						
Copier lease	0.88%	\$99 m	4/20/2025	\$ 5,813	\$ 2,160	\$ 1,174
Copier lease	0.88%	\$104 m	4/20/2025	6,107	2,269	1,233
Copier lease	0.88%	\$104 m	4/20/2025	6,107	2,269	1,233
Copier lease	0.88%	\$104 m	4/20/2025	6,107	2,269	1,233
Copier lease	0.88%	\$99 m	4/20/2025	5,813	2,160	1,174
Copier lease	0.88%	\$104 m	4/20/2025	6,107	2,269	1,233
Copier lease	0.88%	\$52 m	4/20/2025	3,053	1,135	616
Copier lease	0.88%	\$52 m	4/20/2025	3,053	1,135	616
Copier lease	0.88%	\$50 m	4/20/2025	2,907	1,080	587
Copier lease	0.88%	\$50 m	4/20/2025	2,907	1,080	587
Total Lease Liabilities					\$ 17,826	\$ 9,686
Other Long-term Obligations:						
Compensated absences	n/a	n/a	n/a	n/a	\$ 294,538	\$ 220,904
Net pension liability	n/a	n/a	n/a	n/a	863,696	-
Net OPEB liabilities	n/a	n/a	n/a	n/a	546,562	-
VA Transportation Commission payable (1)	n/a	n/a	3/16/2022	n/a	315,711	-
Total other long-term obligations					\$ 2,020,507	\$ 220,904
Total long-term obligations, governmental activities					\$ 3,750,431	\$ 388,114
Business-type Activities:						
Revenue Bonds:						
Direct Borrowings and Placements:						
Rural Development 2000	4.50%	\$3,822 (m)	12/28/2040	832,650	\$ 555,892	\$ 21,286
VRA WSL-32-10	3.00%	\$16,682 (sa)	2/1/2038	579,359	405,165	21,368
Rural Development 2013	2.125%	\$21,088 (m)	3/11/2054	6,590,000	5,728,228	132,619
VRA WSL-18-11	3.00%	\$3,728 (sa)	8/1/2045	146,448	117,823	4,011
Rural Development 2018	1.75%	\$4,316 (m)	11/27/2058	1,463,000	1,342,082	27,651
Total Direct Borrowings and Placements					\$ 8,149,190	\$ 206,935
Other Long-term Obligations:						
Compensated absences	n/a	n/a	n/a	n/a	\$ 29,659	\$ 22,245
Net pension liability	n/a	n/a	n/a	n/a	54,598	-
Total other long-term obligations					\$ 84,257	\$ 22,245
Total long-term obligations, business-type activities					\$ 8,233,447	\$ 229,180
Total long-term obligations, primary government					\$ 11,983,878	\$ 617,294

(a+) - annual principal installments shown, does not include semi-annual interest installments

(m) - monthly installments, includes interest as applicable

(sa) - semi-annual installments, includes interest as applicable

(1) - Repayment of grant to Virginia Transportation Commission for Industrial Park Access Grant

If an event of default occurs with VRA, the principal of the bond(s) may be declared immediately due and payable to the registered owner of the bond(s) by written notice to the Authority.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2023

Note 7-Long-Term Obligations: (Continued)

If an event of default occurs with Rural Development, the holders of the bonds at their option may declare the entire unpaid principal amount of the bonds then outstanding and accrued interest thereon to be immediately due and payable.

Note 8-Long-Term Obligations-Component Units:

The following is a summary of long-term obligation transactions of the component units for the year ended June 30, 2023:

	Balance July 1, 2022	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2023
EDA:				
Direct Borrowings and Placements				
Note Payable	\$ 534,673	\$ -	\$ (17,663)	\$ 517,010
School Board:				
Compensated absences	\$ 96,800	\$ 64,963	\$ (72,600)	\$ 89,163
Net OPEB liabilities	1,273,792	369,153	(385,986)	1,256,959
Net pension liability	3,319,500	3,368,230	(2,559,598)	4,128,132
Total School Board	<u>\$ 4,690,092</u>	<u>\$ 3,802,346</u>	<u>\$ (3,018,184)</u>	<u>\$ 5,474,254</u>

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

Year Ending June 30,	Direct Borrowings and Placements	
	Note Payable	
	Principal	Interest
2024	\$ 18,295	\$ 17,800
2025	18,946	17,149
2026	19,620	16,475
2027	20,318	15,778
2028	21,040	15,055
2029-2033	116,974	63,504
2034-2038	139,308	41,168
2039-2043	162,509	14,569
Total	<u>\$ 517,010</u>	<u>\$ 201,498</u>

A default rate of 4% above the current rate will apply should the loan ever reach 15 days past due.

Note 8-Long-Term Obligations-Component Units: (Continued)

Details of long-term obligations are as follows:

Type	Interest Rates	Installment Amounts	Final Maturity Date	Amount of Original Issue	Balance	Amount Due Within One Year
EDA:						
Direct Borrowings and Placements						
Note Payable	3.500%	\$3,007 (m)	4/1/2043	\$ 600,000	\$ 517,010	\$ 18,295
School Board:						
Other Long-term Obligations:						
Compensated absences	n/a	n/a	n/a	n/a	\$ 89,163	\$ 66,872
Net OPEB liabilities	n/a	n/a	n/a	n/a	1,256,959	-
Net pension liability	n/a	n/a	n/a	n/a	4,128,132	-
Total School Board other long-term obligations					\$ 5,474,254	\$ 66,872

(m) - monthly installments, includes interest as applicable

Note 9-Pension Plans:

Plan Description

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

Benefit Structures

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

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

Note 9-Pension Plans: (Continued)

Benefit Structures (Continued)

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

Average Final Compensation and Service Retirement Multiplier

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

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

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

Note 9-Pension Plans: (Continued)

Employees Covered by Benefit Terms

As of the June 30, 2021 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Primary Government</u>	<u>Component Unit School Board Nonprofessional</u>
Inactive members or their beneficiaries currently receiving benefits	41	24
Inactive members:		
Vested inactive members	12	7
Non-vested inactive members	9	14
Inactive members active elsewhere in VRS	26	9
Total inactive members	47	30
Active members	62	14
Total covered employees	<u>150</u>	<u>68</u>

Contributions

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

The County’s contractually required employer contribution rate for the year ended June 30, 2023 was 9.44% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$278,995 and \$278,440 for the years ended June 30, 2023 and June 30, 2022, respectively.

The Component Unit School Board’s contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2023 was 3.19% 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 \$11,038 and \$12,765 for the years ended June 30, 2023 and June 30, 2022, respectively.

Note 9-Pension Plans: (Continued)

Net Pension Liability (Asset)

The net pension liability (asset) is calculated separately for each employer and represents that particular employer’s total pension liability determined in accordance with GASB Statement No. 68, less that employer’s fiduciary net position. The County’s and Component Unit School Board’s (nonprofessional) net pension liabilities (assets) were measured as of June 30, 2022. The total pension liabilities used to calculate the net pension liabilities (assets) were determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022.

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the County’s and Component Unit School Board’s (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 2021 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, 2019.

Note 9-Pension Plans: (Continued)

Actuarial Assumptions - General Employees (Continued)

Mortality rates: (Continued)

Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County’s Retirement Plan was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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

Note 9-Pension Plans: (Continued)

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

Mortality rates: (Continued)

Beneficiaries and Survivors:

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

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 2021 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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

The remainder of this page is left blank intentionally.

Note 9-Pension Plans: (Continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		Expected arithmetic nominal return**	7.83%

*The above allocation provides a one-year expected return of 7.83%. 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 6.72%, including expected inflation of 2.50%.

**On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

The remainder of this page is left blank intentionally.

Note 9-Pension Plans: (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2022, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability (Asset)

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2021	\$ 11,655,067	\$ 11,118,034	\$ 537,033
Changes for the year:			
Service cost	\$ 303,838	\$ -	\$ 303,838
Interest	792,345	-	792,345
Differences between expected and actual experience	(320,341)	-	(320,341)
Contributions - employer	-	278,441	(278,441)
Contributions - employee	-	138,103	(138,103)
Net investment income	-	(15,380)	15,380
Benefit payments, including refunds of employee contributions	(440,920)	(440,920)	-
Administrator charges	-	(6,842)	6,842
Other changes	-	259	(259)
Net changes	\$ 334,922	\$ (46,339)	\$ 381,261
Balances at June 30, 2022	\$ 11,989,989	\$ 11,071,695	\$ 918,294

Note 9-Pension Plans: (Continued)

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, 2021	\$ 2,067,858	\$ 2,263,537	\$ (195,679)
Changes for the year:			
Service cost	\$ 20,281	\$ -	\$ 20,281
Interest	136,714	-	136,714
Differences between expected and actual experience	(94,935)	-	(94,935)
Contributions - employer	-	12,624	(12,624)
Contributions - employee	-	11,192	(11,192)
Net investment income	-	(852)	852
Benefit payments, including refunds of employee contributions	(125,498)	(125,498)	-
Administrator charges	-	(1,432)	1,432
Other changes	-	51	(51)
Net changes	\$ (63,438)	\$ (103,915)	\$ 40,477
Balances at June 30, 2022	\$ 2,004,420	\$ 2,159,622	\$ (155,202)

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

The following presents the net pension liability (asset) of the County and Component Unit School Board (nonprofessional) using the discount rate of 6.75%, as well as what the County's and Component Unit School Board's (nonprofessional) net pension liability (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%)
County Net Pension Liability (Asset)	\$ 2,712,173	\$ 918,294	\$ (520,093)
Component Unit School Board (nonprofessional) Net Pension Liability (Asset)	\$ 54,735	\$ (155,202)	\$ (330,836)

Note 9-Pension Plans: (Continued)

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

For the year ended June 30, 2023, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$80,876 and \$(88,555), respectively. At June 30, 2023, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 286,935	\$ -	\$ 22,466
Change in assumptions	149,366	-	-	-
Change in proportionate share	43,016	43,016	-	-
Net difference between projected and actual earnings on pension plan investments	-	305,070	-	68,720
Employer contributions subsequent to the measurement date	278,995	-	11,038	-
Total	\$ 471,377	\$ 635,021	\$ 11,038	\$ 91,186

\$278,995 and \$11,038 reported as deferred outflows of resources related to pensions resulting from the County’s and Component Unit School Board’s (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction or component of the Net Pension Liability (Asset) in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2024	\$ (176,724)	\$ (48,542)
2025	(166,736)	(27,305)
2026	(252,141)	(45,370)
2027	152,962	30,031

Note 9-Pension Plans: (Continued)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2022-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 (Professional)

Plan Description

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options 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, 2023 was 16.62% 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, 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 \$657,995 and \$644,159 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$442.4 million to the VRS Teacher Retirement Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

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

At June 30, 2023, the school division reported a liability of \$4,128,132 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. 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, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the school division's proportion was 0.04336% as compared to 0.04276% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized pension expense of \$83,422. 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 include with the pension expense calculation.

Note 9-Pension Plans: (Continued)

Component Unit School Board (Professional) (Continued)

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

At June 30, 2023, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 284,651
Change in assumptions	389,200	-
Net difference between projected and actual earnings on pension plan investments	-	538,222
Changes in proportion and differences between employer contributions and proportionate share of contributions	159,522	170,711
Employer contributions subsequent to the measurement date	<u>657,995</u>	<u>-</u>
Total	<u>\$ 1,206,717</u>	<u>\$ 993,584</u>

\$657,995 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2024	\$ (222,018)
2025	(170,823)
2026	(309,142)
2027	257,121

Note 9-Pension Plans: (Continued)

Component Unit School Board (Professional) (Continued)

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 2021 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, 2019.

The remainder of this page is left blank intentionally.

Note 9-Pension Plans: (Continued)

Component Unit School Board (Professional) (Continued)

Actuarial Assumptions (Continued)

Mortality rates: (Continued)

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, 2022, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total Pension Liability	\$ 54,732,329
Plan Fiduciary Net Position	45,211,731
Employers' Net Pension Liability (Asset)	<u>\$ 9,520,598</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.61%

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 his plan.

Note 9-Pension Plans: (Continued)

Component Unit School Board (Professional) (Continued)

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability	\$ 7,373,159	\$ 4,128,132	\$ 1,485,966

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan’s Fiduciary Net Position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2022-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Primary Government and Component Unit School Board

Aggregate Pension Information

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plan:								
Primary Government	\$ 471,377	\$ 635,021	\$ 918,294	\$ 80,876	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	11,038	91,186	(155,202)	(88,555)
School Board Professional	-	-	-	-	1,206,717	993,584	4,128,132	83,422
Totals	<u>\$ 471,377</u>	<u>\$ 635,021</u>	<u>\$ 918,294</u>	<u>\$ 80,876</u>	<u>\$ 1,217,755</u>	<u>\$ 1,084,770</u>	<u>\$ 3,972,930</u>	<u>\$ (5,133)</u>

Note 10—Healthcare OPEB Plans:

Primary Government

Plan Description

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

Note 10—Healthcare OPEB Plans: (Continued)

Primary Government (Continued)

Benefits Provided

Postemployment benefits that are provided to eligible retirees include Medical and Dental. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the County who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits. In addition, the County provides a fixed basic death benefit for all retirees.

Plan Membership

At June 30, 2023 (measurement date), the following employees were covered by the benefit terms:

Total active employees with coverage	68
Total retirees with coverage	<u>4</u>
Total	<u><u>72</u></u>

Contributions

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the Board of Supervisors. The amount paid by the County for OPEB as the benefits came due during the year ended June 30, 2023 was \$0.

Total OPEB Liability

The County’s total OPEB liability was measured as of June 30, 2023. The total OPEB liability was determined by an actuarial valuation as of June 30, 2023 using the alternative measurement method.

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	5.00%
Discount Rate	3.65%

Mortality rates are based on the Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years.

The date of the most recent actuarial experience study for which significant assumptions were based is June 30, 2023.

Discount Rate

The discount rate is based on the 20 year, tax exempt municipal bond yield.

Note 10—Healthcare OPEB Plans: (Continued)

Primary Government (Continued)

Changes in Total OPEB Liability

	Primary Government Total OPEB Liability
Balances at June 30, 2022	\$ 326,049
Changes for the year:	
Service Cost	115,030
Interest	15,614
Effect of economic/demographic gains or losses	(89,245)
Effect of assumption changes or inputs	(4,498)
Net changes	36,901
Balances at June 30, 2023	\$ 362,950

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

The following amounts present the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.65%) or one percentage point higher (4.65%) than the current discount rate:

Discount Rate		
1% Decrease (2.65%)	Current (3.65%)	1% Increase (4.65%)
\$ 407,645	\$ 362,950	\$ 326,021

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

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

Healthcare Trend Rate		
1% Decrease	Current	1% Increase
\$ 312,421	\$ 362,950	\$ 424,966

The healthcare trend rates for medical, pharmacy, dental, and vision are 4.70% in 2023 then increasing to 4.80% next year then decreasing to 4.20% over 10+ years, 5.20% in 2023 decreasing to 4.20% over 10+ years, 3.50% in 2023 decreasing to 3.00% over 10+ years, and 3.00%, respectively.

Note 10—Healthcare OPEB Plans: (Continued)

Primary Government (Continued)

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

For the year ended June 30, 2023, the County recognized OPEB expense in the amount of \$36,901. At June 30, 2023, the County did not report deferred outflows of resources and deferred inflows of resources related to OPEB.

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

Component Unit - School Board

Plan Description

The Component Unit - School Board administers a single-employer defined benefit healthcare plan, The Bland County School Board OPEB Plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the School Board’s pension plans. The plan does not issue a publicly available financial report.

Benefits Provided

Postemployment benefits are provided to eligible retirees include Medical and Dental. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the School Board who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits. In addition, the School Board provides a fixed basic death benefit for all retirees.

Plan Membership

At June 30, 2023 (measurement date), the following employees were covered by the benefit terms:

Total active employees with coverage	104
Total retirees with coverage	<u>1</u>
Total	<u><u>105</u></u>

Contributions

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the School Board. The amount paid by the School Board for OPEB as the benefits came due during the year ended June 30, 2023 was \$10,374.

Total OPEB Liability

The School Board’s total OPEB liability was measured as of June 30, 2023. The total OPEB liability was determined by an actuarial valuation as July 1, 2022.

Note 10—Healthcare OPEB Plans: (Continued)

Component Unit - School Board (Continued)

Actuarial Assumptions

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	3.50% - 5.35% based on years of service for general employees; 3.50% - 5.95% based on years of service for teachers;
Discount Rate	3.65%
Health Care Cost Trend	6.30% in 2023 then grading to an ultimate rate of 3.90% over 50 years.

Mortality Rates - General Employees

- **Pre-Retirement:**
Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. 25% of deaths are assumed to be service related.
- **Post-Retirement:**
Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.
- **Post-Disablement:**
Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.
- **Beneficiaries and survivors:**
Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally; 110% of rates for males and females. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

Mortality Rates - Teachers

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

Note 10—Healthcare OPEB Plans: (Continued)

Component Unit - School Board (Continued)

Mortality Rates - Teachers (Continued)

- **Post-Disablement:**
 Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

- **Beneficiaries and survivors:**
 Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The date of the most recent actuarial experience study for which significant assumptions were based is June 30, 2020.

Discount Rate

The discount rate is based on the bond buyer 20 year GO bond index as of the measurement date.

Changes in Total OPEB Liability

		Component Unit School Board Total OPEB Liability
Balances at June 30, 2022	\$	447,107
Changes for the year:		
Service Cost		34,550
Interest		16,869
Effect of economic/demographic gains or losses		(49,196)
Change in assumptions		(24,923)
Benefit payments		(10,374)
Net changes		(33,074)
Balances at June 30, 2023	\$	414,033

The remainder of this page is left blank intentionally.

Note 10—Healthcare OPEB Plans: (Continued)

Component Unit - School Board (Continued)

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

The following amounts present the total OPEB liability of the Component Unit 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 (2.65%) or one percentage point higher (4.65%) than the current discount rate:

Rates		
1% Decrease	Current Discount	1% Increase
(2.65%)	(3.65%)	(4.65%)
\$ 442,971	\$ 414,033	\$ 386,544

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

The following presents the total OPEB liability of the Component Unit 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 (5.30%) or one percentage point higher (7.30%) than the current healthcare cost trend rates:

Rates		
1% Decrease	Current Healthcare Cost Trend	1% Increase
\$ 369,258	\$ 414,033	\$ 466,047

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

For the year ended June 30, 2023, the School Board recognized OPEB expense in the amount of \$40,718. At June 30, 2023, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 47,198
Changes in assumptions	33,216	53,290
Total	<u>\$ 33,216</u>	<u>\$ 100,488</u>

Note 10—Healthcare OPEB Plans: (Continued)

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

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

<u>Year Ended June 30</u>		
2024	\$	(11,538)
2025		(12,703)
2026		(12,703)
2027		(12,703)
2028		(11,924)
Thereafter		(5,701)

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

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

Plan Description

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

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

The specific information for GLI Plan 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.

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

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 \$8,984 as of June 30, 2023.

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2023 was 0.54% 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, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability.

Contributions to the GLI Plan from the County were \$17,099 and \$15,998 for the years ended June 30, 2023 and June 30, 2022, respectively.

Contributions to the GLI Plan from the Component Unit-School Board (non-professional) were \$2,674 and \$1,287 for the years ended June 30, 2023 and June 30, 2022, respectively.

Contributions to the GLI Plan from the Component Unit-School Board (professional) were \$22,231 and \$21,735 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$30.4 million to the Group Life Insurance Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act and is classified as a non-employer contribution.

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, 2023, the County reported a liability of \$163,998 for its proportionate share of the Net GLI OPEB Liability.

At June 30, 2023, the Component Unit-School Board (nonprofessional) reported a liability of \$13,245 for its proportionate share of the Net GLI OPEB Liability.

At June 30, 2023, the Component Unit-School Board (professional) reported a liability of \$222,758 for its proportionate share of the Net GLI OPEB Liability.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2023

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

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

The Net GLI OPEB Liability was measured as of June 30, 2022 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, 2021, and rolled forward to the measurement date of June 30, 2022. 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, 2022 relative to the total of the actuarially determined employer contributions for all participating employers.

At June 30, 2022, the County’s proportion was 0.01360% as compared to 0.01370% at June 30, 2021.

At June 30, 2022 and 2021, the Component Unit-School Board (nonprofessional) proportion was 0.00110%.

At June 30, 2022, the Component Unit-School Board (professional) proportion was 0.01850% as compared to 0.01830% at June 30, 2021.

For the year ended June 30, 2023, the County recognized GLI OPEB expense of \$10,522. 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, 2023, the Component-Unit School Board (nonprofessional) recognized GLI OPEB expense of \$(3,010). 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, 2023, the Component-Unit School Board (professional) recognized GLI OPEB expense of \$1,883. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2023, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Primary Government		Component-Unit School Board (Non-professional)		Component-Unit School Board (Professional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,987	\$ 6,579	\$ 1,049	\$ 531	\$ 17,640	\$ 8,937
Net difference between projected and actual earnings on GLI OPEB program investments	-	10,247	-	828	-	13,919
Change in assumptions	6,117	15,974	494	1,290	8,309	21,698
Changes in proportionate share	9,636	1,202	117	9,698	9,295	16,027
Employer contributions subsequent to the measurement date	17,099	-	2,674	-	22,231	-
Total	\$ 45,839	\$ 34,002	\$ 4,334	\$ 12,347	\$ 57,475	\$ 60,581

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

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

\$17,099, \$2,674, and \$22,231 reported as deferred outflows of resources related to the GLI OPEB resulting from the County’s, Component-Unit School Board (nonprofessional), and Component-Unit School Board (professional), 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, 2024. 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- School Board (Nonprofessional)	Component Unit- School Board (Professional)
2024	\$ 1,546	\$ (3,666)	\$ (9,755)
2025	(580)	(2,969)	(7,039)
2026	(7,145)	(2,543)	(10,876)
2027	2,326	(1,430)	3,486
2028	(1,409)	(79)	(1,153)

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2021, 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, 2022. 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

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

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2021 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, 2019. 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

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

Actuarial Assumptions (Continued)

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, 2021 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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2021 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, 2019. 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, 2022, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

	GLI OPEB Plan
	<u> </u>
Total GLI OPEB Liability	\$ 3,672,085
Plan Fiduciary Net Position	2,467,989
GLI Net OPEB Liability (Asset)	<u>\$ 1,204,096</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	67.21%

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.

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

Long-Term Expected Rate of Return

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

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%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		Expected arithmetic nominal return**	7.83%

*The above allocation provides a one-year return of 7.83%. 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 6.72%, including expected inflation of 2.50%.

**On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

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, 2022, 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, 2022 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's proportionate share of the GLI Plan Net OPEB Liability	\$ 238,636	\$ 163,998	\$ 103,680
Component Unit-School Board (Non-professional) proportionate share of the GLI Plan Net OPEB Liability	\$ 19,273	\$ 13,245	\$ 8,374
Component Unit-School Board (Professional) proportionate share of the GLI Plan Net OPEB Liability	\$ 324,139	\$ 222,758	\$ 140,828

Group Life Insurance Plan Fiduciary Net Position

Detailed information about the Group Life Insurance Plan’s Fiduciary Net Position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2022-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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.

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

Plan Description (Continued)

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.

Employees Covered by Benefit Terms

As of the June 30, 2021 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	Primary Government	Component Unit - School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	6	11
Inactive members:		
Vested inactive members	-	3
Total inactive members	6	14
Active members	22	14
Total covered employees	28	28

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

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 County’s contractually required employer contribution rate for the year ended June 30, 2023 was 0.54% of covered employee compensation. The Component Unit - School Board’s (Nonprofessional contractually required employer contribution rate for the year ended June 30, 2023 was 2.37% 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 County to the HIC Plan were \$5,781 and \$5,632 for the years ended June 30, 2023 and June 30, 2022, respectively. Contributions from the Component Unit - School Board (nonprofessional) to the HIC Plan were \$11,735 and \$2,621 for the years ended June 30, 2023 and June 30, 2022, respectively.

Net HIC OPEB Liability

The County and Component Unit-School Board’s (Nonprofessional) net HIC OPEB liability was measured as of June 30, 2022. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2021, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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

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

Pre-Retirement:

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

Post-Retirement:

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

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

Actuarial Assumptions: (Continued)

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement 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, 2021 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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

Actuarial Assumptions: (Continued)

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

Beneficiaries and Survivors:

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

Mortality Improvement 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, 2021 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, 2019. 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

The remainder of this page is left blank intentionally.

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%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		Expected arithmetic nominal return**	7.83%

*The above allocation provides a one-year return of 7.83%. 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 6.72%, including expected inflation of 2.50%.

**On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

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, 2022, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2022 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.

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

Changes in Net HIC OPEB Liability - Primary Government

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2021	\$ 40,505	\$ 11,821	\$ 28,684
Changes for the year:			
Service cost	\$ 648	\$ -	\$ 648
Interest	2,674	-	2,674
Differences between expected and actual experience	(2,377)	-	(2,377)
Changes in assumptions	(2,935)	-	(2,935)
Contributions - employer	-	5,632	(5,632)
Net investment income	-	(48)	48
Benefit payments	(3,072)	(3,072)	-
Administrative expenses	-	(27)	27
Other changes	-	1,523	(1,523)
Net changes	\$ (5,062)	\$ 4,008	\$ (9,070)
Balances at June 30, 2022	\$ 35,443	\$ 15,829	\$ 19,614

The remainder of this page is left blank intentionally.

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

Changes in Net HIC OPEB Liability - Component Unit-School Board (Nonprofessional)

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2021	\$ 56,229	\$ 2,762	\$ 53,467
Changes for the year:			
Service cost	\$ 451	\$ -	\$ 451
Interest	3,740	-	3,740
Differences between expected and actual experience	8,501	-	8,501
Changes in assumptions	3,904	-	3,904
Contributions - employer	-	2,621	(2,621)
Net investment income	-	(14)	14
Benefit payments	(2,556)	(2,556)	-
Administrative expenses	-	(4)	4
Net changes	<u>\$ 14,040</u>	<u>\$ 47</u>	<u>\$ 13,993</u>
Balances at June 30, 2022	<u>\$ 70,269</u>	<u>\$ 2,809</u>	<u>\$ 67,460</u>

Sensitivity of the County's HIC Net OPEB Liability to Changes in the Discount Rate

The following presents the County's HIC Program net HIC OPEB liability using the discount rate of 6.75%, as well as what the County'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%)
County's Net HIC OPEB Liability	\$ 23,514	\$ 19,614	\$ 16,317

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

Sensitivity of the Component Unit-School Board’s (Nonprofessional) HIC Net OPEB Liability to Changes in the Discount Rate

The following presents the Component Unit-School Board’s (Nonprofessional) HIC Program net HIC OPEB liability using the discount rate of 6.75%, as well as what the Component Unit-School Board’s (Nonprofessional) 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%)
Component Unit - School Board (Nonprofessional) Net HIC OPEB Liability	\$ 73,409	\$ 67,460	\$ 62,315

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, 2023, the County and Component Unit - School Board (Nonprofessional) recognized HIC Plan OPEB expense of \$(1,546) and \$8,085, respectively. At June 30, 2023, the County and Component Unit - School Board (Nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to the County and Component Unit - School Board (Nonprofessional) HIC Plan from the following sources:

	Primary Government		Component Unit - School Board (Nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,318	\$ 8,627	\$ 5,828	\$ -
Net difference between projected and actual earnings on HIC OPEB plan investments	-	43	36	-
Change in assumptions	526	2,471	2,921	-
Employer contributions subsequent to the measurement date	5,781	-	11,735	-
Total	\$ 7,625	\$ 11,141	\$ 20,520	\$ -

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 (Continued)

\$5,781 and \$11,735 reported as deferred outflows of resources related to the HIC OPEB resulting from the County and Component Unit - School Board's (Nonprofessional) contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2024. 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	Primary Government	Component Unit - School Board (Nonprofessional)
2024	\$ (1,971)	\$ 4,078
2025	(1,833)	3,965
2026	(2,525)	700
2027	(1,714)	42
2028	(982)	-
Thereafter	(272)	-

HIC Plan Data

Information about the VRS Political Subdivision Health Insurance Credit Plan is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 13-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:

Note 13-Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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, 2023 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee Health Insurance Credit 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 \$49,814 and \$48,703 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$12 million to the VRS Teacher HIC Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act and is classified as a non-employer contribution.

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

At June 30, 2023, the school division reported a liability of \$539,463 for its proportionate share of the VRS Teacher Employee HIC Plan Net OPEB Liability. The Net VRS Teacher Employee HIC Plan OPEB Liability was measured as of June 30, 2022 and the total VRS Teacher Employee HIC Plan OPEB liability used to calculate the Net VRS Teacher Employee HIC Plan OPEB Liability was determined by an actuarial valuation performed as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. The school division's proportion of the Net VRS Teacher Employee HIC Plan OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC Plan OPEB plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the school division's proportion of the VRS Teacher Employee HIC Plan was 0.04319% as compared to 0.04267% at June 30, 2021.

Note 13-Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

For the year ended June 30, 2023, the school division recognized VRS Teacher Employee Health Insurance Credit Plan OPEB expense of \$33,769. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Plan Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

At June 30, 2023, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC Plan OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 21,989
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	541
Change in assumptions	15,760	1,378
Change in proportionate share and differences between actual and expected contributions	18,920	40,526
Employer contributions subsequent to the measurement date	<u>49,814</u>	<u>-</u>
Total	<u>\$ 84,494</u>	<u>\$ 64,434</u>

\$49,814 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, 2024. 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>	
2024	\$ (10,991)
2025	(11,078)
2026	(8,291)
2027	(162)
2028	1,200
Thereafter	(432)

Note 13-Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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, 2021, 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, 2022.

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

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

The remainder of this page is left blank intentionally.

Note 13-Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2021 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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee HIC Plan represents the plan’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2022, NOL amounts for the VRS Teacher Employee HIC Plan is as follows (amounts expressed in thousands):

	Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB Liability	\$ 1,470,891
Plan Fiduciary Net Position	221,845
Teacher Employee net HIC OPEB Liability (Asset)	<u>\$ 1,249,046</u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability	15.08%

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.

Note 13-Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

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

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%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		Expected arithmetic nominal return**	7.83%

*The above allocation provides a one-year return of 7.83%. 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 6.72%, including expected inflation of 2.50%.

**On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Note 13-Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Discount Rate

The discount rate used to measure the total Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2022, the rate contributed by each school division for the VRS Teacher Employee HIC Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 607,981	\$ 539,463	\$ 481,382

Teacher Employee HIC OPEB Fiduciary Net Position

Detailed information about the VRS Teacher Employee Health Insurance Credit Plan’s Fiduciary Net Position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2022-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF BLAND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2023

Note 14-Summary of OPEB Plans:

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
County Stand-Alone Plan (Note 10)	\$ -	\$ -	\$ 362,950	\$ 36,901	\$ -	\$ -	\$ -	\$ -
School Stand-Alone Plan (Note 10)	-	-	-	-	33,216	100,488	414,033	40,718
VRS OPEB Plans:								
Group Life Insurance Plan (Note 11)								
County	45,839	34,002	163,998	10,522	-	-	-	-
School Board Nonprofessional	-	-	-	-	4,334	12,347	13,245	(3,010)
School Board Professional	-	-	-	-	57,475	60,581	222,758	1,883
County Health Insurance Credit Plan (Note 12)	7,625	11,141	19,614	(1,546)	-	-	-	-
School Board Nonprofessional Health Insurance Credit Plan (Note 12)	-	-	-	-	20,520	-	67,460	8,085
Teacher Health Insurance Credit Plan (Note 13)	-	-	-	-	84,494	64,434	539,463	33,769
Totals	\$ 53,464	\$ 45,143	\$ 546,562	\$ 45,877	\$ 200,039	\$ 237,850	\$ 1,256,959	\$ 81,445

The remainder of this page is left blank intentionally.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2023

Note 15-Unearned and Deferred/Unavailable Revenue:

Unearned and deferred/unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but no available. Under the accrual basis, assessments for future periods are deferred.

	Government-wide		Balance	
	Statements		Sheet	
	Governmental Activities		Governmental Funds	
Unavailable/deferred revenue				
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$	-	\$	762,711
Tax assessments due after June 30		4,947,199		4,947,199
Prepaid property taxes due after June 30 but paid in advance by taxpayers		94,254		94,254
Unavailable opioid settlement proceeds representing uncollected opioid settlement proceeds not available for the funding of current expenditures		-		207,480
Lease related items		16,249		16,249
Total unavailable/deferred revenue	\$	<u>5,057,702</u>	\$	<u>6,027,893</u>
Unearned revenue				
Unspent ARPA funds received during the previous fiscal years	\$	63,771	\$	63,771
Unspent LATCF grant funds received during the current fiscal year		97,903		97,903
Total unearned revenue	\$	<u>161,674</u>	\$	<u>161,674</u>

The remainder of this page is left blank intentionally.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2023

Note 16-Capital Assets:

Capital asset activity for the year ended June 30, 2023 was as follows:

Primary Government:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated/amortized:				
Land	\$ 306,038	\$ -	\$ -	\$ 306,038
Construction in progress	1,496,995	676,342	(41,170)	2,132,167
Total capital assets not being depreciated/amortized	<u>\$ 1,803,033</u>	<u>\$ 676,342</u>	<u>\$ (41,170)</u>	<u>\$ 2,438,205</u>
Capital assets, being depreciated/amortized:				
Buildings and improvements	\$ 6,377,136	\$ 85,569	\$ -	\$ 6,462,705
Machinery and equipment	3,959,211	162,910	(34,500)	4,087,621
Lease machinery and equipment	36,942	-	-	36,942
Total capital assets being depreciated/amortized	<u>\$ 10,373,289</u>	<u>\$ 248,479</u>	<u>\$ (34,500)</u>	<u>\$ 10,587,268</u>
Accumulated depreciation/amortization:				
Buildings and improvements	\$ (3,510,221)	\$ (236,254)	\$ -	\$ (3,746,475)
Machinery and equipment	(3,262,491)	(189,365)	34,500	(3,417,356)
Lease machinery and equipment	(9,504)	(9,498)	-	(19,002)
Total accumulated depreciation/amortization	<u>\$ (6,782,216)</u>	<u>\$ (435,117)</u>	<u>\$ 34,500</u>	<u>\$ (7,182,833)</u>
Total capital assets being depreciated/amortized, net	<u>\$ 3,591,073</u>	<u>\$ (186,638)</u>	<u>\$ -</u>	<u>\$ 3,404,435</u>
Governmental activities capital assets, net	<u><u>\$ 5,394,106</u></u>	<u><u>\$ 489,704</u></u>	<u><u>\$ (41,170)</u></u>	<u><u>\$ 5,842,640</u></u>

The remainder of this page is left blank intentionally.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2023

Note 16-Capital Assets: (Continued)

Primary Government: (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 255,156	\$ -	\$ -	\$ 255,156
Construction in progress	103,705	460,300	-	564,005
Total capital assets not being depreciated	<u>\$ 358,861</u>	<u>\$ 460,300</u>	<u>\$ -</u>	<u>\$ 819,161</u>
Capital assets, being depreciated:				
Utility plant	\$ 27,740,972	\$ -	\$ -	\$ 27,740,972
Machinery and equipment	300,281	-	-	300,281
Total capital assets being depreciated	<u>\$ 28,041,253</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,041,253</u>
Accumulated depreciation:				
Utility plant	\$ (10,672,305)	\$ (695,373)	\$ -	\$ (11,367,678)
Machinery and equipment	(280,973)	(8,043)	-	(289,016)
Total accumulated depreciation	<u>\$ (10,953,278)</u>	<u>\$ (703,416)</u>	<u>\$ -</u>	<u>\$ (11,656,694)</u>
Total capital assets being depreciated, net	<u>\$ 17,087,975</u>	<u>\$ (703,416)</u>	<u>\$ -</u>	<u>\$ 16,384,559</u>
Business-type activities capital assets, net	<u>\$ 17,446,836</u>	<u>\$ (243,116)</u>	<u>\$ -</u>	<u>\$ 17,203,720</u>

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

Governmental activities:

General government administration	\$ 138,740
Judicial administration	11,331
Public safety	131,377
Public works	68,275
Health and welfare	1,200
Parks, recreation, and cultural	80,204
Community development	3,990
	<u>3,990</u>

Total depreciation/amortization
 expense-governmental activities

\$ 435,117

Business-type activities:

Service Authority	<u>\$ 703,416</u>
-------------------	-------------------

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2023

Note 16-Capital Assets: (Continued)

Discretely Presented Component Unit-School Board:

Capital asset activity for the School Board for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 614,083	\$ -	\$ -	\$ 614,083
Construction in progress	-	856,430	-	856,430
Total capital assets not being depreciated	<u>\$ 614,083</u>	<u>\$ 856,430</u>	<u>\$ -</u>	<u>\$ 1,470,513</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 5,680,320	\$ -	\$ -	\$ 5,680,320
Machinery and equipment	2,434,251	253,088	-	2,687,339
Total capital assets being depreciated	<u>\$ 8,114,571</u>	<u>\$ 253,088</u>	<u>\$ -</u>	<u>\$ 8,367,659</u>
Accumulated depreciation:				
Buildings and improvements	\$ (2,980,477)	\$ (193,117)	\$ -	\$ (3,173,594)
Machinery and equipment	(2,081,156)	(106,116)	-	(2,187,272)
Total accumulated depreciation	<u>\$ (5,061,633)</u>	<u>\$ (299,233)</u>	<u>\$ -</u>	<u>\$ (5,360,866)</u>
Total capital assets being depreciated, net	<u>\$ 3,052,938</u>	<u>\$ (46,145)</u>	<u>\$ -</u>	<u>\$ 3,006,793</u>
Governmental activities capital assets, net	<u>\$ 3,667,021</u>	<u>\$ 810,285</u>	<u>\$ -</u>	<u>\$ 4,477,306</u>

The remainder of this page is left blank intentionally.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2023

Note 16-Capital Assets: (Continued)

Discretely Presented Component Unit-Economic Development Authority:

Capital asset activity for the Economic Development Authority for the year ended June 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 420,159	\$ -	\$ -	\$ 420,159
Total capital assets not being depreciated	<u>\$ 420,159</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 420,159</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 921,309	\$ 56,400	\$ -	\$ 977,709
Land improvements	1,196,154	-	-	1,196,154
Machinery and equipment	4,546	-	-	4,546
Total capital assets being depreciated	<u>\$ 2,122,009</u>	<u>\$ 56,400</u>	<u>\$ -</u>	<u>\$ 2,178,409</u>
Accumulated depreciation:				
Buildings and improvements	\$ (252,095)	\$ (34,530)	\$ -	\$ (286,625)
Land improvements	(389,425)	(39,872)	-	(429,297)
Machinery and equipment	(4,546)	-	-	(4,546)
Total accumulated depreciation	<u>\$ (646,066)</u>	<u>\$ (74,402)</u>	<u>\$ -</u>	<u>\$ (720,468)</u>
Total capital assets being depreciated, net	<u>\$ 1,475,943</u>	<u>\$ (18,002)</u>	<u>\$ -</u>	<u>\$ 1,457,941</u>
Business-type activities capital assets, net	<u>\$ 1,896,102</u>	<u>\$ (18,002)</u>	<u>\$ -</u>	<u>\$ 1,878,100</u>

Discretely Presented Component Unit-Wireless Authority:

Capital asset activity for the Wireless Authority for the year ended June 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities:				
Capital assets, being depreciated:				
Infrastructure	\$ 397,018	\$ -	\$ -	\$ 397,018
Accumulated depreciation:				
Infrastructure	\$ (123,674)	\$ (9,926)	\$ -	\$ (133,600)
Business-type activities capital assets, net	<u>\$ 273,344</u>	<u>\$ (9,926)</u>	<u>\$ -</u>	<u>\$ 263,418</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2023

Note 17-Leases Receivable:

The following is a summary of leases receivable transactions of the County for the year ended June 30, 2023:

	Beginning Balance	Increases/ Issuances	Decreases/ Retirements	Ending Balance	Interest Revenue
Leases receivable	\$ 20,271	\$ -	\$ (3,402)	\$ 16,869	\$ 472

Details of leases receivable:

Lease Description	Original Issuance Date	End Date	Payment Frequency	Discount Rate	Ending Balance	Amount Due Within One Year
Office Space - New York Life Business	12/13/2017	12/12/2027	Monthly	2.52%	\$ 16,869	\$ 3,585

Note 18-Loans Receivable:

Discretely Presented Component Unit-Economic Development Authority:

At June 30, 2023, the outstanding balance for loans receivable is \$166,202, which consisted of the following:

On May 5, 2021, the EDA issued a loan in the amount of \$150,000 to a local business for renovations to real estate. The loan shall be for a period of ten years with annual principal payments of \$15,000. No interest shall be charged. The EDA and the local business have agreed to specific performance terms and if the local business complies the EDA will to forgive 100% of the annual payments for the first two years and 33% of the annual payments for years three and four. The local business shall make full payments of the loan for the remaining six years. At June 30, 2023, the outstanding balance for the loan receivable is \$120,000.

On January 17, 2023, the EDA issued a loan in the amount of \$50,000 to a local business for renovations to real estate. The loan shall be for a period of five years with monthly principal and interest payments of \$943.56 bearing interest of 5%. At June 30, 2023, the outstanding balance for the loan receivable is \$46,202.

Note 19-Commitments:

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

Project	Contract Amount	Contract Amount Outstanding at June 30, 2023
County:		
Rocky Gap Greenway Phoenix Bridge	\$ 828,718	\$ 152,754
Component Unit School Board:		
HVAC Project	158,489	79,245

Note 20-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, auto, property, workers compensation, and crime insurance with the Virginia Association of Counties Risk Pool. 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 Virginia Association of Counties 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 the depletion of all available excess insurance, the pool may assess all members in the proportion in which the premium of each bears to the total premiums of all members in the year in which such deficit occurs. The County and its Component Unit - School Board continue to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 21-Contingent Liabilities:

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

Note 22-Surety Bonds:

Primary Government:

<u>Fidelity & Deposit Company of Maryland-Surety:</u>		
Rebecca I. Johnson, Clerk of the Circuit Court	\$	105,000
John F. Goins, Treasurer		300,000
Cindy Wright, Commissioner of the Revenue		3,000
Jason Ramsey, Sheriff		30,000

Note 23-Litigation:

As of June 30, 2023, there were no matters of litigation involving the County which would materially affect the County’s financial position should any court decisions on pending matters not be favorable.

Note 24-Tax Abatements:

Tax Abatement Disclosures require governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients.
- The gross dollar amount of taxes abated during the period.
- Commitments made by a government, other than to abate taxes, as part of a tax abatement.

Note 24-Tax Abatements: (Continued)

The County entered into a performance agreement with Love’s Travel Stops & Country Stores, Inc. on December 22, 2015. Under the agreement, the Company was to acquire and improve the site and to construct and equip the Facility costing approximately \$7,500,000, of which approximately \$2,500,000 would be invested in machinery and equipment, and approximately \$5,000,000 would be invested in site improvements and construction of the facility. In addition, 40 new jobs would be created and maintained through the performance date, which is ten years from the opening date. In return, the Locality agreed to disburse an Economic Development Opportunity Grant equal to 90% of the locally collected tax on prepared food and beverages, not to exceed \$100,000, annually on or before March 1st for a term of 10 years. If the Company fails to meet 90% of the targets as of the performance date, the Company shall repay to the Bland County Economic Development Authority that part of the local grant that is proportional to the target or targets for which there is a shortfall. For fiscal year ending June 30, 2023, the County returned taxes in the amount of \$100,000 to Love’s Travel Stop.

Note 25-Upcoming Pronouncements:

Statement No. 99, *Omnibus 2022*, addresses (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The effective dates differ based on the requirements of the Statement, ranging from April 2022 to for fiscal years beginning after June 15, 2023.

Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, provides more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability for accounting changes and error corrections. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023.

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.

Implementation Guide No. 2021-1, *Implementation Guidance Update—2021*, with dates ranging from reporting periods beginning after June 15, 2022 to reporting periods beginning after June 15, 2023.

Implementation Guide No. 2023-1, *Implementation Guidance Update—2023*, effective for fiscal years beginning after June 15, 2023.

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

Required Supplementary Information

County of Bland, Virginia
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget -
	<u>Original</u>	<u>Final</u>		Positive <u>(Negative)</u>
REVENUES				
General property taxes	\$ 5,202,589	\$ 5,353,780	\$ 5,476,585	\$ 122,805
Other local taxes	1,347,970	1,347,970	1,457,320	109,350
Permits, privilege fees, and regulatory licenses	20,600	20,600	17,935	(2,665)
Fines and forfeitures	499,734	506,734	363,555	(143,179)
Revenue from the use of money and property	21,300	21,300	44,125	22,825
Charges for services	448,091	448,091	421,390	(26,701)
Miscellaneous	287,845	376,941	549,936	172,995
Recovered costs	98,369	98,369	247,715	149,346
Intergovernmental:				
Commonwealth	2,415,896	2,480,253	3,067,774	587,521
Federal	1,577,404	2,473,435	1,963,975	(509,460)
Total revenues	<u>\$ 11,919,798</u>	<u>\$ 13,127,473</u>	<u>\$ 13,610,310</u>	<u>\$ 482,837</u>
EXPENDITURES				
Current:				
General government administration	\$ 1,829,003	\$ 1,892,245	\$ 1,415,687	\$ 476,558
Judicial administration	672,532	700,950	656,055	44,895
Public safety	2,191,178	2,595,587	2,363,540	232,047
Public works	1,157,821	1,532,379	1,407,284	125,095
Health and welfare	1,401,339	1,489,717	1,559,446	(69,729)
Education	2,697,364	2,697,364	2,825,188	(127,824)
Parks, recreation, and cultural	795,853	924,659	632,320	292,339
Community development	549,719	696,683	901,671	(204,988)
Capital projects	85,000	85,000	-	85,000
Debt service:				
Principal retirement	165,000	165,000	174,600	(9,600)
Interest and other fiscal charges	59,741	59,741	59,945	(204)
Total expenditures	<u>\$ 11,604,550</u>	<u>\$ 12,839,325</u>	<u>\$ 11,995,736</u>	<u>\$ 843,589</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 315,248</u>	<u>\$ 288,148</u>	<u>\$ 1,614,574</u>	<u>\$ 1,326,426</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 329,650	\$ 329,650
Transfers out	(315,248)	(332,664)	(963,789)	(631,125)
Total other financing sources (uses)	<u>\$ (315,248)</u>	<u>\$ (332,664)</u>	<u>\$ (634,139)</u>	<u>\$ (301,475)</u>
Net change in fund balances	\$ -	\$ (44,516)	\$ 980,435	\$ 1,024,951
Fund balances - beginning	-	44,516	5,697,093	5,652,577
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,677,528</u>	<u>\$ 6,677,528</u>

County of Bland, Virginia
 Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
 Primary Government

Pension Plans

For the Measurement Dates of June 30, 2014 through June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 303,838	\$ 282,388	\$ 256,315	\$ 283,366	\$ 263,646	\$ 251,429	\$ 215,957	\$ 223,426	\$ 208,295
Interest	792,345	711,905	705,261	659,526	633,997	642,385	613,129	578,125	554,140
Changes in assumptions	-	342,096	-	319,621	-	10,538	-	-	-
Differences between expected and actual experience	(320,341)	(3,164)	(404,572)	242,748	(32,861)	(517,956)	64,383	137,056	-
Benefit payments	(440,920)	(449,803)	(467,355)	(490,131)	(510,046)	(502,392)	(448,650)	(428,447)	(411,161)
Net change in total pension liability	\$ 334,922	\$ 883,422	\$ 89,649	\$ 1,015,130	\$ 354,736	\$ (115,996)	\$ 444,819	\$ 510,160	\$ 351,274
Total pension liability - beginning	\$ 11,655,067	\$ 10,771,645	\$ 10,681,996	\$ 9,666,866	\$ 9,312,130	\$ 9,428,126	\$ 8,983,307	\$ 8,473,147	\$ 8,121,873
Total pension liability - ending (a)	\$ 11,989,989	\$ 11,655,067	\$ 10,771,645	\$ 10,681,996	\$ 9,666,866	\$ 9,312,130	\$ 9,428,126	\$ 8,983,307	\$ 8,473,147
Plan fiduciary net position									
Contributions - employer	\$ 278,441	\$ 268,315	\$ 300,800	\$ 293,044	\$ 385,727	\$ 349,001	\$ 306,879	\$ 294,936	\$ 338,669
Contributions - employee	138,103	133,223	126,124	122,677	121,173	109,417	107,661	99,321	98,577
Net investment income	(15,380)	2,402,670	167,707	545,722	564,703	832,465	118,357	296,855	884,620
Benefit payments	(440,920)	(449,803)	(467,355)	(490,131)	(510,046)	(502,392)	(448,650)	(428,447)	(411,161)
Administrator charges	(6,842)	(5,857)	(5,527)	(5,327)	(4,775)	(4,746)	(4,159)	(4,036)	(4,716)
Other	259	229	(198)	(345)	(508)	(745)	(50)	(63)	46
Net change in plan fiduciary net position	\$ (46,339)	\$ 2,348,777	\$ 121,551	\$ 465,640	\$ 556,274	\$ 783,000	\$ 80,038	\$ 258,566	\$ 906,035
Plan fiduciary net position - beginning	\$ 11,118,034	\$ 8,769,257	\$ 8,647,706	\$ 8,182,066	\$ 7,625,792	\$ 6,842,792	\$ 6,762,754	\$ 6,504,188	\$ 5,598,153
Plan fiduciary net position - ending (b)	\$ 11,071,695	\$ 11,118,034	\$ 8,769,257	\$ 8,647,706	\$ 8,182,066	\$ 7,625,792	\$ 6,842,792	\$ 6,762,754	\$ 6,504,188
County's net pension liability - ending (a) - (b)	\$ 918,294	\$ 537,033	\$ 2,002,388	\$ 2,034,290	\$ 1,484,800	\$ 1,686,338	\$ 2,585,334	\$ 2,220,553	\$ 1,968,959
Plan fiduciary net position as a percentage of the total pension liability	92.34%	95.39%	81.41%	80.96%	84.64%	81.89%	72.58%	75.28%	76.76%
Covered payroll	\$ 2,907,698	\$ 2,907,698	\$ 2,806,032	\$ 2,632,685	\$ 2,552,486	\$ 2,250,542	\$ 2,089,541	\$ 1,999,717	\$ 1,972,767
County's net pension liability as a percentage of covered payroll	31.58%	18.47%	71.36%	77.27%	58.17%	74.93%	123.73%	111.04%	99.81%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

County of Bland, Virginia
 Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
 Component Unit School Board (nonprofessional)
 Pension Plans

For the Measurement Dates of June 30, 2014 through June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 20,281	\$ 21,150	\$ 37,206	\$ 38,396	\$ 40,665	\$ 42,560	\$ 43,116	\$ 42,034	\$ 48,144
Interest	136,714	128,234	125,162	124,074	116,846	116,925	105,646	106,276	100,513
Changes in assumptions	-	73,624	-	45,776	-	(9,584)	-	-	-
Differences between expected and actual experience	(94,935)	11,480	643	(26,014)	43,375	(53,234)	96,371	(88,366)	-
Benefit payments	(125,498)	(132,792)	(102,195)	(98,745)	(96,500)	(99,115)	(68,870)	(69,028)	(63,638)
Net change in total pension liability	\$(63,438)	\$101,696	\$60,816	\$83,487	\$104,386	\$(2,448)	\$176,263	\$(9,084)	\$85,019
Total pension liability - beginning	2,067,858	1,966,162	1,905,346	1,821,859	1,717,473	1,719,921	1,543,658	1,552,742	1,467,723
Total pension liability - ending (a)	\$ 2,004,420	\$ 2,067,858	\$ 1,966,162	\$ 1,905,346	\$ 1,821,859	\$ 1,717,473	\$ 1,719,921	\$ 1,543,658	\$ 1,552,742
Plan fiduciary net position									
Contributions - employer	\$ 12,624	\$ 11,885	\$ 16,705	\$ 16,622	\$ 19,184	\$ 27,729	\$ 29,601	\$ 32,871	\$ 49,500
Contributions - employee	11,192	10,616	17,072	16,852	18,543	25,174	19,892	22,001	23,522
Net investment income	(852)	499,834	36,163	121,303	130,148	197,037	28,385	71,729	212,964
Benefit payments	(125,498)	(132,792)	(102,195)	(98,745)	(96,500)	(99,115)	(68,870)	(69,028)	(63,638)
Administrator charges	(1,432)	(1,315)	(1,263)	(1,240)	(1,148)	(1,162)	(1,006)	(983)	(1,131)
Other	51	46	(42)	(76)	(115)	(174)	(12)	(17)	11
Net change in plan fiduciary net position	\$(103,915)	\$388,274	\$(33,560)	\$54,716	\$70,112	\$149,489	\$7,990	\$56,573	\$221,228
Plan fiduciary net position - beginning	2,263,537	1,875,263	1,908,823	1,854,107	1,783,995	1,634,506	1,626,516	1,569,943	1,348,715
Plan fiduciary net position - ending (b)	\$ 2,159,622	\$ 2,263,537	\$ 1,875,263	\$ 1,908,823	\$ 1,854,107	\$ 1,783,995	\$ 1,634,506	\$ 1,626,516	\$ 1,569,943
School Division's net pension liability (asset) - ending (a) - (b)	\$ (155,202)	\$ (195,679)	\$ 90,899	\$ (3,477)	\$ (32,248)	\$ (66,522)	\$ 85,415	\$ (82,858)	\$ (17,201)
Plan fiduciary net position as a percentage of the total pension liability	107.74%	109.46%	95.38%	100.18%	101.77%	103.87%	95.03%	105.37%	101.11%
Covered payroll	\$ 238,308	\$ 238,308	\$ 225,415	\$ 352,491	\$ 347,325	\$ 449,747	\$ 411,381	\$ 446,288	\$ 465,565
School Division's net pension liability (asset) as a percentage of covered payroll	-65.13%	-82.11%	40.33%	-0.99%	-9.28%	-14.79%	20.76%	-18.57%	-3.69%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

County of Bland, Virginia
 Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan
 Pension Plans

For the Measurement Dates of June 30, 2014 through June 30, 2022

Date (1)	Employer's Proportion of the Net Pension Liability (Asset) (2)	Employer's Proportionate Share of the Net Pension Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (6)
2022	0.043336%	\$ 4,128,132	4,025,071	102.56%	82.61%
2021	0.04276%	3,319,500	3,773,300	87.97%	85.46%
2020	0.04150%	6,036,429	3,631,615	166.22%	71.47%
2019	0.04180%	5,501,118	3,509,236	156.76%	73.51%
2018	0.04435%	5,215,000	3,617,610	144.16%	74.81%
2017	0.04940%	6,075,000	3,420,417	177.61%	72.92%
2016	0.04855%	6,804,000	3,700,904	183.85%	68.28%
2015	0.05253%	6,611,000	3,901,573	169.44%	70.68%
2014	0.05666%	6,848,000	4,142,763	165.30%	70.88%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

County of Bland, Virginia
Schedule of Employer Contributions
Pension Plans

For the Years Ended June 30, 2014 through June 30, 2023

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					
2023	\$ 278,995	\$ 278,995	\$ -	\$ 3,123,039	8.93%
2022	278,440	278,440	-	2,907,698	9.58%
2021	268,315	268,315	-	2,806,032	9.56%
2020	300,773	300,773	-	2,632,685	11.42%
2019	293,044	293,044	-	2,552,486	11.48%
2018	385,727	385,727	-	2,500,000	15.43%
2017	352,884	352,884	-	2,250,541	15.68%
2016	308,625	308,625	-	2,089,541	14.77%
2015	295,358	295,358	-	1,999,717	14.77%
2014	338,724	338,724	-	1,972,767	17.17%
Component Unit School Board (nonprofessional)					
2023	\$ 11,038	\$ 11,038	\$ -	\$ 495,166	2.23%
2022	12,765	12,765	-	238,308	5.36%
2021	11,885	11,885	-	225,415	5.27%
2020	17,448	17,448	-	352,491	4.95%
2019	16,623	16,623	-	347,325	4.79%
2018	19,184	19,184	-	388,950	4.93%
2017	23,522	23,522	-	449,747	5.23%
2016	30,278	30,278	-	411,381	7.36%
2015	32,871	32,871	-	446,288	7.37%
2014	48,884	48,884	-	465,565	10.50%
Component Unit School Board (professional)					
2023	\$ 657,995	\$ 657,995	\$ -	\$ 4,116,841	15.98%
2022	644,159	644,159	-	4,025,071	16.00%
2021	605,008	605,008	-	3,773,300	16.03%
2020	551,169	551,169	-	3,631,615	15.18%
2019	533,000	533,000	-	3,509,236	15.19%
2018	581,000	581,000	-	3,617,610	16.06%
2017	564,000	564,000	-	3,420,417	16.49%
2016	518,319	518,319	-	3,700,904	14.01%
2015	565,000	565,000	-	3,901,573	14.48%
2014	483,046	483,046	-	4,142,763	11.66%

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

County of Bland, Virginia
Notes to Required Supplementary Information
Pension Plans
For the Year Ended June 30, 2023

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, 2021 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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

All Others (Non 10 Largest) - Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

County of Bland, Virginia
Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios
 Healthcare Plan
 Primary Government
 For the Measurement Dates of June 30, 2018 through June 30, 2023

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 115,030	\$ 115,030	\$ 125,282	\$ 73,308	\$ 75,738	\$ 54,401
Interest	15,614	29,586	29,152	31,240	30,961	13,685
Effect of Economic/Demographic Gains or Losses	(89,245)	(1,013,496)	(101,133)	98,373	(47,602)	-
Changes in assumptions	(4,498)	(59,777)	7,574	171,644	35,875	(158,748)
Other adjustments	-	-	-	-	-	36,812
Net change in total OPEB liability	\$ 36,901	\$ (928,657)	\$ 60,875	\$ 374,565	\$ 94,972	\$ (53,850)
Total OPEB liability - beginning	326,049	1,254,706	1,193,831	819,266	724,294	778,144
Total OPEB liability - ending	\$ 362,950	\$ 326,049	\$ 1,254,706	\$ 1,193,831	\$ 819,266	\$ 724,294
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A
County's total OPEB liability (asset) as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A

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

County of Bland, Virginia
 Notes to Required Supplementary Information
 Healthcare Plan
 Primary Government
 For the Year Ended June 30, 2023

Valuation Date: 6/30/2023
 Measurement Date: 6/30/2023

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 normal, level percentage of pay
Salary Increase Rates	5.00%
Discount Rate	3.65%
Mortality Rates	Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvements projected for 10 year.
Health Care Cost Trend	For medical: 4.70% in 2023 then increasing to 4.80% next year then grading down to an ultimate rate of 4.20% over 10+ years. For pharmacy: 5.20% in 2023 then grading down to an ultimate rate of 4.20% over 10+ years. For dental: 3.50% in 2023 then grading down to an ultimate rate of 3.00% over 10+ years. For vision: 3.00% in 2023 and staying the same over 10+ years.

County of Bland, Virginia
 Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios
 Healthcare Plan
 Component Unit School Board
 For the Measurement Dates of June 30, 2018 through June 30, 2023

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 34,550	\$ 35,437	\$ 34,319	\$ 21,639	\$ 18,531	\$ 27,582
Interest	16,869	10,655	9,692	14,279	15,103	15,244
Changes in assumptions	(24,923)	(45,342)	47,826	21,288	22,048	(9,837)
Economic/demographic gains or losses	(49,196)	-	(5,020)	-	-	-
Differences between expected and actual experience	-	-	-	-	(28,420)	-
Benefit payments	(10,374)	(22,850)	(43,430)	(35,120)	(46,906)	(34,855)
Net change in total OPEB liability	\$ (33,074)	\$ (22,100)	\$ 43,387	\$ 22,086	\$ (19,644)	\$ (1,866)
Total OPEB liability - beginning	447,107	469,207	425,820	403,734	423,378	425,244
Total OPEB liability - ending	\$ 414,033	\$ 447,107	\$ 469,207	\$ 425,820	\$ 403,734	\$ 423,378
Covered employee payroll	\$ 4,124,947	\$ 3,874,906	\$ 3,874,906	\$ 3,486,791	\$ 3,486,791	\$ 4,019,100
Component Unit School Board's total OPEB liability (asset) as a percentage of payroll	10.04%	11.54%	12.11%	12.21%	11.58%	10.53%

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

County of Bland, Virginia
 Notes to Required Supplementary Information
 Healthcare Plan
 Component Unit School Board
 For the Year Ended June 30, 2023

Valuation Date: 7/1/2022
 Measurement Date: 6/30/2023

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:

Salary Increase Rates	3.50% - 5.35% based on years of service for general employees; 3.50% - 5.35% based on years of service for teachers
Inflation	2.50%
Discount Rate	3.65%
Health Care Cost Trend	6.30% in 2023 then grading to an ultimate rate of 3.90% over 55 years.
Mortality Rates (General Employees)	<p>Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. 25% of deaths are assumed to be service related.</p> <p>Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.</p> <p>Post Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.</p> <p>Beneficiaries and survivors: Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally; 110% of rates for males and females. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.</p>
Mortality Rates (Teachers)	<p>Pre-Retirement: Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. 5% of deaths are assumed to be service related.</p> <p>Post-Retirement: Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.</p> <p>Post Disablement: Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.</p> <p>Beneficiaries and survivors: Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.</p>

County of Bland, Virginia
 Schedule of Employer's Share of Net OPEB Liability
 Group Life Insurance (GLI) Plan
 For the Measurement Dates of June 30, 2017 through June 30, 2022

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					
2022	0.01360%	\$ 163,998	\$ 2,962,606	5.54%	67.21%
2021	0.01370%	159,505	2,828,580	5.64%	67.45%
2020	0.01310%	219,452	2,706,407	8.11%	52.64%
2019	0.01318%	214,473	2,583,204	8.30%	52.00%
2018	0.01315%	199,000	2,499,999	7.96%	51.22%
2017	0.01222%	184,000	2,253,598	8.16%	48.86%
Component Unit School Board (nonprofessional)					
2022	0.00110%	\$ 13,245	\$ 238,308	5.56%	67.21%
2021	0.00110%	12,690	225,415	5.63%	67.45%
2020	0.00170%	28,537	352,491	8.10%	52.64%
2019	0.00177%	28,802	347,325	8.29%	52.00%
2018	0.00204%	31,000	388,950	7.97%	51.22%
2017	0.00244%	37,000	449,747	8.23%	48.86%
Component Unit School Board (professional)					
2022	0.01850%	\$ 222,758	\$ 4,025,071	5.53%	67.21%
2021	0.01830%	212,829	3,773,300	5.64%	67.45%
2020	0.01760%	294,549	3,631,615	8.11%	52.64%
2019	0.01798%	292,583	3,524,850	8.30%	52.00%
2018	0.01909%	290,000	3,628,766	7.99%	51.22%
2017	0.02102%	316,000	3,876,929	8.15%	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 Bland, Virginia
 Schedule of Employer Contributions
 Group Life Insurance (GLI) Plan
 For the Years Ended June 30, 2014 through June 30, 2023

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					
2023	\$ 17,099	\$ 17,099	\$ -	\$ 3,166,487	0.54%
2022	15,998	15,998	-	2,962,606	0.54%
2021	15,274	15,274	-	2,828,580	0.54%
2020	14,073	14,073	-	2,706,407	0.52%
2019	13,000	13,000	-	2,583,204	0.50%
2018	13,000	13,000	-	2,499,999	0.52%
2017	12,000	12,000	-	2,253,598	0.53%
2016	10,121	10,121	-	2,108,547	0.48%
2015	9,681	9,681	-	2,016,907	0.48%
2014	9,482	9,482	-	1,975,469	0.48%
Component Unit School Board (nonprofessional)					
2023	\$ 2,674	\$ 2,674	\$ -	\$ 495,166	0.54%
2022	1,287	1,287	-	238,308	0.54%
2021	1,217	1,217	-	225,415	0.54%
2020	1,833	1,833	-	352,491	0.52%
2019	2,000	2,000	-	347,325	0.58%
2018	2,000	2,000	-	388,950	0.51%
2017	2,000	2,000	-	449,747	0.44%
2016	1,975	1,975	-	411,381	0.48%
2015	2,142	2,142	-	446,288	0.48%
2014	2,235	2,235	-	465,565	0.48%
Component Unit School Board (professional)					
2023	\$ 22,231	\$ 22,231	\$ -	\$ 4,116,841	0.54%
2022	21,735	21,735	-	4,025,071	0.54%
2021	20,376	20,376	-	3,773,300	0.54%
2020	18,884	18,884	-	3,631,615	0.52%
2019	18,000	18,000	-	3,524,850	0.51%
2018	19,000	19,000	-	3,628,766	0.52%
2017	20,000	20,000	-	3,876,929	0.52%
2016	17,769	17,769	-	3,701,791	0.48%
2015	18,747	18,747	-	3,905,628	0.48%
2014	19,888	19,888	-	4,143,297	0.48%

County of Bland, Virginia
Notes to Required Supplementary Information
Group Life Insurance (GLI) Plan
For the Year Ended June 30, 2023

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, 2021 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, 2019. 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 Bland, Virginia
 Schedule of Changes in the Employer's Net OPEB Liability (Asset) and Related Ratios
 Primary Government
 Health Insurance Credit (HIC) Plan
 For the Measurement Dates of June 30, 2017 through June 30, 2022

	2022	2021	2020	2019	2018	2017
Total HIC OPEB Liability						
Service cost	\$ 648	\$ 838	\$ 781	\$ 1,591	\$ 2,000	\$ 2,000
Interest	2,674	3,003	3,217	2,907	3,000	3,000
Differences between expected and actual experience	(2,377)	(6,375)	(3,523)	4,558	(4,000)	-
Changes of assumptions	(2,935)	293	-	1,133	-	(2,000)
Benefit payments	(3,072)	(3,492)	(3,786)	(4,339)	(4,000)	(3,000)
Other changes	-	-	-	(301)	-	(1,000)
Net change in total HIC OPEB liability	\$ (5,062)	\$ (5,733)	\$ (3,311)	\$ 5,549	\$ (3,000)	\$ (1,000)
Total HIC OPEB Liability - beginning	40,505	46,238	49,549	44,000	47,000	48,000
Total HIC OPEB Liability - ending (a)	\$ 35,443	\$ 40,505	\$ 46,238	\$ 49,549	\$ 44,000	\$ 47,000
Plan fiduciary net position						
Contributions - employer	\$ 5,632	\$ 5,534	\$ 5,344	\$ 4,954	\$ 5,000	\$ 4,000
Net investment income	(48)	2,181	154	324	-	-
Benefit payments	(3,072)	(3,492)	(3,786)	(4,339)	(4,000)	(3,000)
Administrator charges	(27)	(33)	(14)	(6)	-	-
Other Changes	1,523	-	-	-	-	-
Net change in plan fiduciary net position	\$ 4,008	\$ 4,190	\$ 1,698	\$ 933	\$ 1,000	\$ 1,000
Plan fiduciary net position - beginning	11,821	7,631	5,933	5,000	4,000	3,000
Plan fiduciary net position - ending (b)	\$ 15,829	\$ 11,821	\$ 7,631	\$ 5,933	\$ 5,000	\$ 4,000
Employer's net HIC OPEB liability- ending (a) - (b)	\$ 19,614	\$ 28,684	\$ 38,607	\$ 43,616	\$ 39,000	\$ 43,000
Plan fiduciary net position as a percentage of the total HIC OPEB liability	44.66%	29.18%	16.50%	11.97%	11.36%	8.51%
Covered payroll	\$ 1,043,054	\$ 1,024,740	\$ 989,630	\$ 917,303	\$ 856,974	\$ 724,044
Employer's net HIC OPEB liability as a percentage of covered payroll	1.88%	2.80%	3.90%	4.75%	4.55%	5.94%

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 Bland, Virginia
Schedule of Changes in the Employer's Net OPEB Liability (Asset) and Related Ratios
Component Unit School Board (nonprofessional)
Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2020 through June 30, 2022

	2022	2021	2020
Total HIC OPEB Liability			
Service cost	\$ 451	\$ 459	\$ -
Interest	3,740	3,488	-
Benefit changes	-	-	51,679
Differences between expected and actual experience	8,501	-	-
Changes of assumptions	3,904	603	-
Benefit payments	(2,556)	-	-
Net change in total HIC OPEB liability	\$ 14,040	\$ 4,550	\$ 51,679
Total HIC OPEB Liability - beginning	56,229	51,679	-
Total HIC OPEB Liability - ending (a)	\$ 70,269	\$ 56,229	\$ 51,679
Plan fiduciary net position			
Contributions - employer	\$ 2,621	\$ 2,480	\$ -
Net investment income	(14)	293	-
Benefit payments	(2,556)	-	-
Administrator charges	(4)	(11)	-
Net change in plan fiduciary net position	\$ 47	\$ 2,762	\$ -
Plan fiduciary net position - beginning	2,762	-	-
Plan fiduciary net position - ending (b)	\$ 2,809	\$ 2,762	\$ -
Employer's net HIC OPEB liability- ending (a) - (b)	\$ 67,460	\$ 53,467	\$ 51,679
Plan fiduciary net position as a percentage of the total HIC OPEB liability	4.00%	4.91%	0.00%
Covered payroll	\$ 238,308	\$ 225,415	\$ 352,491
Employer's net HIC OPEB liability as a percentage of covered payroll	28.31%	23.72%	14.66%

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

County of Bland, Virginia
 Schedule of Employer Contributions
 Health Insurance Credit (HIC) Plan
 For the Years Ended June 30, 2014 through June 30, 2023

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					
2023	\$ 5,781	\$ 5,781	-	\$ 1,070,578	0.54%
2022	5,632	5,632	-	1,043,054	0.54%
2021	5,534	5,534	-	1,024,740	0.54%
2020	5,344	5,344	-	989,630	0.54%
2019	5,000	5,000	-	917,303	0.55%
2018	4,000	4,000	-	856,974	0.47%
2017	4,000	4,000	-	724,044	0.55%
2016	2,941	2,941	-	639,327	0.46%
2015	2,653	2,653	-	576,807	0.46%
2014	761	761	-	585,051	0.13%
Component Unit School Board (nonprofessional)					
2023	\$ 11,735	\$ 11,735	-	\$ 495,166	2.37%
2022	2,621	2,621	-	238,308	1.10%
2021	2,480	2,480	-	225,415	1.10%

Schedule is intended to show information for 10 years. Component Unit School Board (nonprofessional) Information prior to the 2021 valuation is not available. However, additional years will be included as they become available.

*The Component Unit School Board (nonprofessional) entered into the HIC plan in fiscal year 2021.

County of Bland, Virginia
Notes to Required Supplementary Information
Health Insurance Credit (HIC) Plan
For the Year Ended June 30, 2023

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, 2021, 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, 2019. 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

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
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 Bland, Virginia
 Schedule of School Board's Share of Net OPEB Liability
 Teacher Employee Health Insurance Credit (HIC) Plan
 For the Measurement Dates of June 30, 2017 through June 30, 2022

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)
2022	0.04319%	\$ 539,463	\$ 4,025,071	13.40%	15.08%
2021	0.04267%	547,699	3,773,300	14.52%	13.15%
2020	0.04140%	540,331	3,631,615	14.88%	9.95%
2019	0.04202%	550,083	3,524,850	15.61%	8.97%
2018	0.04487%	570,000	3,628,766	15.71%	8.08%
2017	0.04912%	623,000	3,876,929	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 Bland, Virginia
 Schedule of Employer Contributions
 Teacher Employee Health Insurance Credit (HIC) Plan
 For the Years Ended June 30, 2014 through June 30, 2023

Date	Contributions in Relation to				Contributions as a % of Covered Payroll (5)
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	
2023	\$ 49,814	\$ 49,814	\$ -	\$ 4,116,841	1.21%
2022	48,703	48,703	-	4,025,071	1.21%
2021	45,657	45,657	-	3,773,300	1.21%
2020	43,579	43,579	-	3,631,615	1.20%
2019	42,000	42,000	-	3,524,850	1.19%
2018	45,000	45,000	-	3,628,766	1.24%
2017	43,000	43,000	-	3,876,929	1.11%
2016	39,239	39,239	-	3,701,791	1.06%
2015	41,400	41,400	-	3,905,628	1.06%
2014	45,991	45,991	-	4,143,297	1.11%

County of Bland, Virginia
Notes to Required Supplementary Information
Teacher Employee Health Insurance Credit (HIC) Plan
For the Year Ended June 30, 2023

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, 2021 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, 2019. 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

Other Supplementary Information

County of Bland, Virginia
Combining Statement of Net Position
Proprietary Funds
June 30, 2023

	Enterprise Fund		
	Service Authority		
	Water	Sewer	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 42,947	\$ 199,130	\$ 242,077
Accounts receivable, net of allowance for uncollectibles	60,044	57,689	117,733
Grant receivable	174	-	174
Total current assets	<u>\$ 103,165</u>	<u>\$ 256,819</u>	<u>\$ 359,984</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	\$ 13,153	\$ 229,329	\$ 242,482
Capital assets:			
Capital assets, not being depreciated	\$ 436,113	\$ 383,048	\$ 819,161
Capital assets, net of accumulated depreciation	5,828,804	10,555,755	16,384,559
Total capital assets	<u>\$ 6,264,917</u>	<u>\$ 10,938,803</u>	<u>\$ 17,203,720</u>
Total noncurrent assets	<u>\$ 6,278,070</u>	<u>\$ 11,168,132</u>	<u>\$ 17,446,202</u>
Total assets	<u>\$ 6,381,235</u>	<u>\$ 11,424,951</u>	<u>\$ 17,806,186</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	\$ 38,534	\$ 29,582	\$ 68,116
Total deferred outflows of resources	<u>\$ 38,534</u>	<u>\$ 29,582</u>	<u>\$ 68,116</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 13,389	\$ 6,567	\$ 19,956
Customers' deposits	9,600	-	9,600
Accrued interest payable	6,730	6,473	13,203
Compensated absences - current portion	6,241	16,004	22,245
Bonds payable - current portion	53,030	153,905	206,935
Total current liabilities	<u>\$ 88,990</u>	<u>\$ 182,949</u>	<u>\$ 271,939</u>
Noncurrent liabilities:			
Bonds payable - net of current portion	\$ 1,812,040	\$ 6,130,215	\$ 7,942,255
Compensated absences - net of current portion	2,079	5,335	7,414
Net pension liability	20,208	34,390	54,598
Total noncurrent liabilities	<u>\$ 1,834,327</u>	<u>\$ 6,169,940</u>	<u>\$ 8,004,267</u>
Total liabilities	<u>\$ 1,923,317</u>	<u>\$ 6,352,889</u>	<u>\$ 8,276,206</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related items	\$ 28,349	\$ 20,648	\$ 48,997
Total deferred inflows of resources	<u>\$ 28,349</u>	<u>\$ 20,648</u>	<u>\$ 48,997</u>
NET POSITION			
Net investment in capital assets	\$ 4,399,847	\$ 4,654,683	\$ 9,054,530
Restricted:			
Debt service and bond covenants	13,153	229,329	242,482
Unrestricted	55,103	196,984	252,087
Total net position	<u>\$ 4,468,103</u>	<u>\$ 5,080,996</u>	<u>\$ 9,549,099</u>

County of Bland, Virginia
Combining Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Enterprise Fund		
	Service Authority		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services:			
Water revenues	\$ 349,502	\$ -	\$ 349,502
Sewer revenues	-	357,757	357,757
Connection fees	3,246	730	3,976
Penalties	24,372	-	24,372
Other revenues	11,616	-	11,616
Miscellaneous	695	-	695
Total operating revenues	<u>\$ 389,431</u>	<u>\$ 358,487</u>	<u>\$ 747,918</u>
OPERATING EXPENSES			
Salaries and fringes	\$ 108,703	\$ 160,402	\$ 269,105
Utilities	24,915	74,289	99,204
Purchase of chemicals	-	27,710	27,710
Purchase of water	198,183	-	198,183
Maintenance and repairs	51,630	87,145	138,775
Office expense	4,206	4,648	8,854
Insurance	2,977	8,056	11,033
Permits	5,712	-	5,712
Professional services	2,996	-	2,996
Miscellaneous	710	5,733	6,443
Depreciation	294,732	408,684	703,416
Total operating expenses	<u>\$ 694,764</u>	<u>\$ 776,667</u>	<u>\$ 1,471,431</u>
Operating income (loss)	<u>\$ (305,333)</u>	<u>\$ (418,180)</u>	<u>\$ (723,513)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	\$ 384	\$ -	\$ 384
Interest expense	(39,483)	(148,596)	(188,079)
Total nonoperating revenues (expenses)	<u>\$ (39,099)</u>	<u>\$ (148,596)</u>	<u>\$ (187,695)</u>
Income before contributions and transfers	<u>\$ (344,432)</u>	<u>\$ (566,776)</u>	<u>\$ (911,208)</u>
Capital contributions and construction grants	\$ -	\$ 112,173	\$ 112,173
Transfers in (contributions from primary government)	552,092	593,650	1,145,742
Transfers out (project repayments to primary government)	(511,603)	-	(511,603)
Change in net position	<u>\$ (303,943)</u>	<u>\$ 139,047</u>	<u>\$ (164,896)</u>
Net position - beginning	4,772,046	4,941,949	9,713,995
Net position - ending	<u>\$ 4,468,103</u>	<u>\$ 5,080,996</u>	<u>\$ 9,549,099</u>

County of Bland, Virginia
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Enterprise Fund		
	Service Authority		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 388,445	\$ 347,201	\$ 735,646
Payments to suppliers	(316,012)	(212,762)	(528,774)
Payments to and for employees	(103,151)	(152,192)	(255,343)
Net cash provided by (used for) operating activities	<u>\$ (30,718)</u>	<u>\$ (17,753)</u>	<u>\$ (48,471)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to primary government	\$ (511,603)	\$ -	\$ (511,603)
Contributions from primary government or component unit	552,092	593,650	1,145,742
Net cash provided by (used for) noncapital financing activities	<u>\$ 40,489</u>	<u>\$ 593,650</u>	<u>\$ 634,139</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Additions to capital assets	\$ (312,804)	\$ (106,326)	\$ (419,130)
Principal payments on bonds	(51,806)	(150,175)	(201,981)
Capital contributions received	(174)	71,003	70,829
Interest expense	(39,991)	(148,745)	(188,736)
Net cash provided by (used for) capital and related financing activities	<u>\$ (404,775)</u>	<u>\$ (334,243)</u>	<u>\$ (739,018)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	\$ 384	\$ -	\$ 384
Net cash provided by (used for) investing activities	<u>\$ 384</u>	<u>\$ -</u>	<u>\$ 384</u>
Net increase (decrease) in cash and cash equivalents	\$ (394,620)	\$ 241,654	\$ (152,966)
Cash and cash equivalents - beginning (including restricted cash and cash equivalents of \$7,637 and \$204,024, respectively)	450,720	186,805	637,525
Cash and cash equivalents - ending (including restricted cash and cash equivalents of \$13,153 and \$229,329, respectively)	<u>\$ 56,100</u>	<u>\$ 428,459</u>	<u>\$ 484,559</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	<u>\$ (305,333)</u>	<u>\$ (418,180)</u>	<u>\$ (723,513)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	\$ 294,732	\$ 408,684	\$ 703,416
(Increase) decrease in accounts receivable	(986)	(11,286)	(12,272)
(Increase) decrease in deferred outflows of resources	26,653	11,911	38,564
Increase (decrease) in accounts payable	(24,683)	(5,181)	(29,864)
Increase (decrease) compensated absences	(2,425)	7,713	5,288
Increase (decrease) in net pension liability	2,058	16,026	18,084
Increase (decrease) in deferred inflows of resources	(20,734)	(27,440)	(48,174)
Total adjustments	<u>\$ 274,615</u>	<u>\$ 400,427</u>	<u>\$ 675,042</u>
Net cash provided by (used for) operating activities	<u>\$ (30,718)</u>	<u>\$ (17,753)</u>	<u>\$ (48,471)</u>
Noncash capital activities:			
Contributions of capital assets from government (shown in capital contributions)	\$ -	\$ 41,170	\$ 41,170

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

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

School Operating Fund - The School Operating Fund is the primary operating fund of the School Board and accounts for all revenues and expenditures applicable to the general operations of the County's school system. Financing is provided by the State and Federal governments as well as contributions from the General Fund.

School Activity Fund - The School Activity Fund accounts for and reports 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 Bland, Virginia
Balance Sheet
Discretely Presented Component Unit - School Board
June 30, 2023

	School Operating Fund	School Activity Fund	Total School Fund
ASSETS			
Cash and cash equivalents	3,151,770	\$ -	\$ 3,151,770
Cash in custody of others	255,129	208,696	463,825
Receivables (net of allowance for uncollectibles):			
Accounts receivable	15,675	-	15,675
Due from primary government	149,484	-	149,484
Due from other governmental units	233,724	-	233,724
Prepaid items	117,715	-	117,715
Total assets	<u>\$ 3,923,497</u>	<u>\$ 208,696</u>	<u>\$ 4,132,193</u>
LIABILITIES			
Accounts payable	\$ 86,901	\$ -	\$ 86,901
Accrued payroll	632,943	-	632,943
Total liabilities	<u>\$ 719,844</u>	<u>\$ -</u>	<u>\$ 719,844</u>
FUND BALANCES			
Nonspendable:			
Prepaid items	\$ 117,715	\$ -	\$ 117,715
Restricted:			
School cafeteria	255,129	-	255,129
School activity fund	-	208,696	208,696
School construction funds	1,047,694	-	1,047,694
Assigned:			
Textbook payments	168,746	-	168,746
Future school construction	1,694,843	-	1,694,843
Other school funds	37,241	-	37,241
Unassigned			
Total fund balances	<u>\$ 3,203,653</u>	<u>\$ 208,696</u>	<u>\$ 3,412,349</u>
Total liabilities and fund balances	<u>\$ 3,923,497</u>	<u>\$ 208,696</u>	<u>\$ 4,132,193</u>

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

Total fund balances per above \$ 3,412,349

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

Capital assets, not being depreciated	\$ 1,470,513	
Capital assets being depreciated	8,367,659	
Accumulated depreciation	<u>(5,360,866)</u>	4,477,306

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

Net pension asset		155,202
-------------------	--	---------

Deferred outflows of resources are not available to pay for current-period expenditure:

and, therefore, are not reported in the funds

Pension related items	\$ 1,217,755	
OPEB related items	<u>200,039</u>	1,417,794

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

Net OPEB liabilities	\$ (1,256,959)	
Compensated absences	(89,163)	
Net pension liability	<u>(4,128,132)</u>	(5,474,254)

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

Pension related items	\$ (1,084,770)	
OPEB related items	<u>(237,850)</u>	(1,322,620)

Net position of governmental activities

\$ 2,665,777

County of Bland, Virginia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2023

	School Operating Fund	School Activity Fund*	Total School Fund
REVENUES			
Revenue from the use of money and property	\$ 41,155	\$ -	\$ 41,155
Charges for services	61,528	246,860	308,388
Miscellaneous	377,660	-	377,660
Recovered costs	126,351	-	126,351
Intergovernmental:			
Local government	2,816,340	-	2,816,340
Commonwealth	7,781,050	-	7,781,050
Federal	1,779,348	-	1,779,348
Total revenues	<u>\$ 12,983,432</u>	<u>\$ 246,860</u>	<u>\$ 13,230,292</u>
EXPENDITURES			
Current:			
Education	<u>\$ 11,831,451</u>	<u>\$ 344,132</u>	<u>\$ 12,175,583</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,151,981</u>	<u>\$ (97,272)</u>	<u>\$ 1,054,709</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 2,500	\$ 45,791	\$ 48,291
Transfers out	(45,791)	(2,500)	(48,291)
Total other financing sources (uses)	<u>\$ (43,291)</u>	<u>\$ 43,291</u>	<u>\$ -</u>
Net change in fund balances	\$ 1,108,690	\$ (53,981)	\$ 1,054,709
Fund balances - beginning	2,094,963	262,677	2,357,640
Fund balances - ending	<u>\$ 3,203,653</u>	<u>\$ 208,696</u>	<u>\$ 3,412,349</u>
Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:			
Net change in fund balances - total governmental funds - per above			\$ 1,054,709
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the detail of items supporting this adjustment.			
Capital asset additions		\$ 1,109,518	
Depreciation expense		(299,233)	810,285
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		\$ 191,812	
State non-employer contribution to the OPEB plan		11,154	202,966
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.			
Change in compensated absences		\$ 7,637	
Change in pension related items		674,024	
Change in OPEB related items		15,384	697,045
Change in net position of governmental activities			<u>\$ 2,765,005</u>

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

County of Bland, Virginia
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2023

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 41,155	\$ 41,155
Charges for services	221,166	235,356	61,528	(173,828)
Miscellaneous	291,694	362,460	377,660	15,200
Recovered costs	60,000	62,300	126,351	64,051
Intergovernmental:				
Local government	2,688,516	2,688,516	2,816,340	127,824
Commonwealth	5,957,203	7,616,380	7,781,050	164,670
Federal	1,426,934	1,710,501	1,779,348	68,847
Total revenues	<u>\$ 10,645,513</u>	<u>\$ 12,675,513</u>	<u>\$ 12,983,432</u>	<u>\$ 307,919</u>
EXPENDITURES				
Current:				
Education	<u>\$ 10,645,513</u>	<u>\$ 11,919,236</u>	<u>\$ 11,831,451</u>	<u>\$ 87,785</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 756,277</u>	<u>\$ 1,151,981</u>	<u>\$ 395,704</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 2,500	\$ 2,500
Transfers out	-	-	(45,791)	(45,791)
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (43,291)</u>	<u>\$ (43,291)</u>
Net change in fund balances	\$ -	\$ 756,277	\$ 1,108,690	\$ 352,413
Fund balances - beginning	-	-	2,094,963	2,094,963
Fund balances - ending	<u>\$ -</u>	<u>\$ 756,277</u>	<u>\$ 3,203,653</u>	<u>\$ 2,447,376</u>

County of Bland, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 2,786,879	\$ 2,938,070	\$ 2,775,982	\$ (162,088)
Real and personal public service corporation taxes	631,832	631,832	598,086	(33,746)
Personal property taxes	1,281,066	1,281,066	1,534,060	252,994
Mobile home taxes	17,816	17,816	18,301	485
Machinery and tools taxes	280,854	280,854	274,118	(6,736)
Merchant's capital taxes	140,392	140,392	213,533	73,141
Penalties	28,750	28,750	32,708	3,958
Interest	35,000	35,000	29,797	(5,203)
Total general property taxes	<u>\$ 5,202,589</u>	<u>\$ 5,353,780</u>	<u>\$ 5,476,585</u>	<u>\$ 122,805</u>
Other local taxes:				
Local sales and use taxes	\$ 530,870	\$ 530,870	\$ 503,849	\$ (27,021)
Consumers' utility taxes	160,000	160,000	164,995	4,995
Consumption taxes	20,000	20,000	20,491	491
Gross receipts taxes	100	100	3,501	3,401
Franchise license tax	-	-	36,287	36,287
Motor vehicle licenses	100,000	100,000	115,175	15,175
Taxes on recordation and wills	20,000	20,000	25,797	5,797
Hotel and motel room taxes	17,000	17,000	42,171	25,171
Restaurant food taxes	360,000	360,000	363,087	3,087
Tobacco tax	140,000	140,000	181,967	41,967
Total other local taxes	<u>\$ 1,347,970</u>	<u>\$ 1,347,970</u>	<u>\$ 1,457,320</u>	<u>\$ 109,350</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 2,200	\$ 2,200	\$ 1,504	\$ (696)
Land use application fees	1,000	1,000	712	(288)
Transfer fees	-	-	266	266
Building permits	17,000	17,000	14,853	(2,147)
Permits and other licenses	400	400	600	200
Total permits, privilege fees, and regulatory licenses	<u>\$ 20,600</u>	<u>\$ 20,600</u>	<u>\$ 17,935</u>	<u>\$ (2,665)</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 499,709	\$ 506,709	\$ 363,555	\$ (143,154)
Dog violation fines	25	25	-	(25)
Total fines and forfeitures	<u>\$ 499,734</u>	<u>\$ 506,734</u>	<u>\$ 363,555</u>	<u>\$ (143,179)</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 17,300	\$ 17,300	\$ 40,477	\$ 23,177
Revenue from use of property	4,000	4,000	3,648	(352)
Total revenue from use of money and property	<u>\$ 21,300</u>	<u>\$ 21,300</u>	<u>\$ 44,125</u>	<u>\$ 22,825</u>
Charges for services:				
Charges for sheriff's fees	\$ 325	\$ 325	\$ 1,413	\$ 1,088
Charges for courthouse maintenance	14,000	14,000	10,337	(3,663)
Charges for law library	700	700	694	(6)

County of Bland, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Charges for services: (Continued)				
Charges for Commonwealth's Attorney	\$ 250	\$ 250	\$ 768	\$ 518
Charges for sanitation and waste removal	413,539	413,539	386,183	(27,356)
Charges for cannery	6,000	6,000	6,635	635
Charges for library	3,890	3,890	4,695	805
Charges for forest service coop law enforcement	2,640	2,640	2,240	(400)
Other charges for services	6,747	6,747	8,425	1,678
Total charges for services	<u>\$ 448,091</u>	<u>\$ 448,091</u>	<u>\$ 421,390</u>	<u>\$ (26,701)</u>
Miscellaneous:				
Miscellaneous	\$ 173,345	\$ 197,405	\$ 174,636	\$ (22,769)
Library donations	7,500	57,500	52,372	(5,128)
Crossroads Industrial Facilities Authority	100,000	100,000	272,109	172,109
Wythe Bland Community Foundation contribution	7,000	7,000	7,000	-
Opioid settlement funds	-	15,036	43,819	28,783
Total miscellaneous	<u>\$ 287,845</u>	<u>\$ 376,941</u>	<u>\$ 549,936</u>	<u>\$ 172,995</u>
Recovered costs:				
Social services	\$ 57,919	\$ 57,919	\$ 53,782	\$ (4,137)
Utilities	1,500	1,500	1,113	(387)
Soil and Water Conservation District payroll	-	-	162,399	162,399
Other recovered costs	38,950	38,950	30,421	(8,529)
Total recovered costs	<u>\$ 98,369</u>	<u>\$ 98,369</u>	<u>\$ 247,715</u>	<u>\$ 149,346</u>
Total revenue from local sources	<u>\$ 7,926,498</u>	<u>\$ 8,173,785</u>	<u>\$ 8,578,561</u>	<u>\$ 404,776</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ 500	\$ 500	\$ 394	\$ (106)
Mobile home titling tax	20,000	20,000	34,696	14,696
Motor vehicle rental tax	-	-	130	130
State recordation tax	6,000	6,000	9,813	3,813
Communications taxes	80,000	80,000	72,509	(7,491)
Regional improvement commission funds - casino	-	-	625,470	625,470
Personal property tax relief funds	354,561	354,561	354,561	-
Total noncategorical aid	<u>\$ 461,061</u>	<u>\$ 461,061</u>	<u>\$ 1,097,573</u>	<u>\$ 636,512</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 183,293	\$ 183,293	\$ 183,006	\$ (287)
Sheriff	596,107	596,107	591,309	(4,798)
Commissioner of revenue	96,010	96,010	95,978	(32)
Treasurer	86,015	86,015	85,986	(29)
Registrar/electoral board	60,000	60,000	58,333	(1,667)
Clerk of the Circuit Court	206,557	206,557	205,029	(1,528)
Total shared expenses	<u>\$ 1,227,982</u>	<u>\$ 1,227,982</u>	<u>\$ 1,219,641</u>	<u>\$ (8,341)</u>

County of Bland, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Other categorical aid:				
Public assistance and welfare administration	\$ 187,176	\$ 198,756	\$ 300,354	\$ 101,598
Comprehensive Services Act program	369,787	369,787	222,795	(146,992)
School Resource Officer	-	34,679	-	(34,679)
Litter control grant	6,500	6,500	9,570	3,070
Two-for-life	6,300	6,300	6,740	440
E-911 state revenue	45,844	45,844	49,588	3,744
Victim-witness grant	17,045	17,045	22,462	5,417
Fire program	25,000	28,500	33,500	5,000
State library grant	43,201	49,300	49,300	-
Mining royalties	1,000	1,000	-	(1,000)
Department of justice grants	25,000	33,499	56,251	22,752
Total other categorical aid	<u>\$ 726,853</u>	<u>\$ 791,210</u>	<u>\$ 750,560</u>	<u>\$ (40,650)</u>
Total categorical aid	<u>\$ 1,954,835</u>	<u>\$ 2,019,192</u>	<u>\$ 1,970,201</u>	<u>\$ (48,991)</u>
Total revenue from the Commonwealth	<u>\$ 2,415,896</u>	<u>\$ 2,480,253</u>	<u>\$ 3,067,774</u>	<u>\$ 587,521</u>
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 240,813</u>	<u>\$ 40,813</u>
Categorical aid:				
Victim-witness grant	\$ 51,136	\$ 51,136	\$ 52,591	\$ 1,455
Department of emergency management grant	-	-	7,500	7,500
Public assistance and welfare administration	409,504	434,837	657,114	222,277
Coronavirus relief funds	-	-	50,000	50,000
Appalachian regional commission broadband grant	459,764	459,764	-	(459,764)
Highway planning and construction	422,000	422,000	262,112	(159,888)
Community Development Block Grant	35,000	35,000	-	(35,000)
American Rescue Plan Act (ARPA) COVID 19	-	384,590	577,391	192,801
ARPA/DCJS equipment grant	-	196,000	-	(196,000)
ARPA Tourism	-	30,000	30,000	-
Library of VA ARPA Funds	-	-	69	69
LATCF funds	-	260,108	86,385	(173,723)
Total categorical aid	<u>\$ 1,377,404</u>	<u>\$ 2,273,435</u>	<u>\$ 1,723,162</u>	<u>\$ (550,273)</u>
Total revenue from the federal government	<u>\$ 1,577,404</u>	<u>\$ 2,473,435</u>	<u>\$ 1,963,975</u>	<u>\$ (509,460)</u>
Total General Fund	<u>\$ 11,919,798</u>	<u>\$ 13,127,473</u>	<u>\$ 13,610,310</u>	<u>\$ 482,837</u>
Total Primary Government	<u>\$ 11,919,798</u>	<u>\$ 13,127,473</u>	<u>\$ 13,610,310</u>	<u>\$ 482,837</u>

County of Bland, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 41,155	\$ 41,155
Charges for services:				
Cafeteria sales	\$ 221,166	\$ 235,356	\$ 61,528	\$ (173,828)
Miscellaneous:				
Other miscellaneous	\$ 291,694	\$ 362,460	\$ 377,660	\$ 15,200
Recovered costs:				
Miscellaneous recovered costs	\$ 60,000	\$ 62,300	\$ 126,351	\$ 64,051
Total revenue from local sources	<u>\$ 572,860</u>	<u>\$ 660,116</u>	<u>\$ 606,694</u>	<u>\$ (53,422)</u>
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Bland, Virginia	\$ 2,688,516	\$ 2,688,516	\$ 2,816,340	\$ 127,824
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 941,162	\$ 966,220	\$ 1,007,002	\$ 40,782
Basic school aid	2,834,477	3,039,813	3,067,332	27,519
Regular foster care	9,226	9,226	10,013	787
Gifted and talented	25,148	24,354	27,556	3,202
Remedial education	79,560	77,048	87,178	10,130
Special education	430,722	417,120	517,726	100,606
Textbook payment	60,530	76,900	66,326	(10,574)
Vocational SOQ payments	70,872	68,634	77,659	9,025
Vocational adult education	5,273	5,273	-	(5,273)
School food	13,634	-	9,473	9,473
Social security fringe benefits	170,094	164,723	186,381	21,658
Retirement fringe benefits	395,971	383,467	433,887	50,420
Group life insurance benefits	11,888	11,513	13,027	1,514
Early reading intervention	33,843	33,843	41,095	7,252
School construction grant	-	1,179,814	1,179,814	-
Dropout prevention	3,370	3,370	3,370	-
Vocation education - equipment	-	-	5,322	5,322
Homebound education	3,634	3,634	6,825	3,191
Salary supplement	232,767	426,595	248,923	(177,672)
At risk payments	226,320	258,202	291,606	33,404
Primary class size	37,770	37,770	42,362	4,592
Standards of Learning algebra readiness	9,812	12,500	19,354	6,854
At risk four year olds	32,445	32,445	32,445	-
Technology initiative	102,000	102,000	126,443	24,443

County of Bland, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Hold harmless	\$ 76,916	\$ 76,916	\$ 76,916	\$ -
Other state funds	149,769	205,000	203,015	(1,985)
Total categorical aid	<u>\$ 5,957,203</u>	<u>\$ 7,616,380</u>	<u>\$ 7,781,050</u>	<u>\$ 164,670</u>
Total revenue from the Commonwealth	<u>\$ 5,957,203</u>	<u>\$ 7,616,380</u>	<u>\$ 7,781,050</u>	<u>\$ 164,670</u>
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 139,864	\$ 153,000	\$ 171,838	\$ 18,838
Title I Part A	-	-	9,613	9,613
Title VI-B, flow-through/preschool	202,611	208,000	205,950	(2,050)
Title VI-B, preschool	8,000	9,000	8,739	(261)
Title II Part A	32,813	41,000	32,935	(8,065)
School food program	242,666	509,644	505,979	(3,665)
Schools and roads	-	-	81,441	81,441
Career and technical education	12,691	15,498	24,293	8,795
Coronavirus relief funds	200,000	678,027	276,098	(401,929)
Public health workplace grant	-	96,332	96,332	-
Other federal categorical	588,289	-	366,130	366,130
Total categorical aid	<u>\$ 1,426,934</u>	<u>\$ 1,710,501</u>	<u>\$ 1,779,348</u>	<u>\$ 68,847</u>
Total revenue from the federal government	<u>\$ 1,426,934</u>	<u>\$ 1,710,501</u>	<u>\$ 1,779,348</u>	<u>\$ 68,847</u>
Total School Operating Fund	<u>\$ 10,645,513</u>	<u>\$ 12,675,513</u>	<u>\$ 12,983,432</u>	<u>\$ 307,919</u>

County of Bland, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 82,734	\$ 70,051	\$ 74,765	\$ (4,714)
General and financial administration:				
County administrator	\$ 420,262	\$ 509,867	\$ 512,729	\$ (2,862)
Commissioner of revenue	239,898	240,943	239,316	1,627
Treasurer	225,509	225,554	222,996	2,558
Legal services	37,025	37,025	36,735	290
Information technology	561,564	559,314	92,378	466,936
Auditors	102,500	91,500	85,625	5,875
Employee added benefit pool	3,000	1,300	1,200	100
Local government dues	8,746	8,746	15,157	(6,411)
Total general and financial administration	<u>\$ 1,598,504</u>	<u>\$ 1,674,249</u>	<u>\$ 1,206,136</u>	<u>\$ 468,113</u>
Board of elections:				
Electoral board and officials	\$ 40,751	\$ 28,741	\$ 17,088	\$ 11,653
Registrar	107,014	119,204	117,698	1,506
Total board of elections	<u>\$ 147,765</u>	<u>\$ 147,945</u>	<u>\$ 134,786</u>	<u>\$ 13,159</u>
Total general government administration	<u>\$ 1,829,003</u>	<u>\$ 1,892,245</u>	<u>\$ 1,415,687</u>	<u>\$ 476,558</u>
Judicial administration:				
Courts:				
Circuit court	\$ 6,719	\$ 6,719	\$ 5,726	\$ 993
General district court	2,882	2,882	1,182	1,700
Magistrates	375	375	75	300
Juvenile and domestic relations court	7,226	19,236	19,205	31
Victim and witness assistance	68,181	69,954	62,479	7,475
Clerk of the circuit court	338,152	344,549	318,503	26,046
Law Library	1,800	2,675	2,610	65
Total courts	<u>\$ 425,335</u>	<u>\$ 446,390</u>	<u>\$ 409,780</u>	<u>\$ 36,610</u>
Commonwealth's attorney:				
Commonwealth's attorney	\$ 247,197	\$ 254,560	\$ 246,275	\$ 8,285
Total judicial administration	<u>\$ 672,532</u>	<u>\$ 700,950</u>	<u>\$ 656,055</u>	<u>\$ 44,895</u>
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,120,256	\$ 1,407,373	\$ 1,269,987	\$ 137,386
Ticket enforcement	65,058	44,240	38,015	6,225
School resource officer	79,987	112,767	87,463	25,304
Total law enforcement and traffic control	<u>\$ 1,265,301</u>	<u>\$ 1,564,380</u>	<u>\$ 1,395,465</u>	<u>\$ 168,915</u>

County of Bland, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Public safety: (continued)				
Fire and rescue services:				
Fire department	\$ 144,000	\$ 145,750	\$ 149,888	\$ (4,138)
Ambulance and rescue services	104,025	45,183	30,069	15,114
Other fire and rescue services	15,945	15,945	15,498	447
Total fire and rescue services	<u>\$ 263,970</u>	<u>\$ 206,878</u>	<u>\$ 195,455</u>	<u>\$ 11,423</u>
Correction and detention:				
Regional jail	\$ 150,000	\$ 130,000	\$ 121,082	\$ 8,918
Courthouse security	129,051	129,051	84,895	44,156
Total correction and detention	<u>\$ 279,051</u>	<u>\$ 259,051</u>	<u>\$ 205,977</u>	<u>\$ 53,074</u>
Inspections:				
Building	\$ 102,678	\$ 115,451	\$ 115,276	\$ 175
Total inspections	<u>\$ 102,678</u>	<u>\$ 115,451</u>	<u>\$ 115,276</u>	<u>\$ 175</u>
Other protection:				
Animal control	\$ 76,833	\$ 78,015	\$ 74,781	\$ 3,234
Medical examiner	2,200	2,400	1,217	1,183
E-911	201,145	209,327	215,284	(5,957)
SLFR State & Local Fiscal Recovery	-	160,085	160,085	-
Total other protection	<u>\$ 280,178</u>	<u>\$ 449,827</u>	<u>\$ 451,367</u>	<u>\$ (1,540)</u>
Total public safety	<u>\$ 2,191,178</u>	<u>\$ 2,595,587</u>	<u>\$ 2,363,540</u>	<u>\$ 232,047</u>
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Streetlights	\$ 8,500	\$ 10,600	\$ 10,614	\$ (14)
Sanitation and waste removal:				
Refuse collection and disposal	\$ 460,500	\$ 432,500	\$ 437,371	\$ (4,871)
Landfill closure	29,200	19,200	18,583	617
Total sanitation and waste removal	<u>\$ 489,700</u>	<u>\$ 451,700</u>	<u>\$ 455,954</u>	<u>\$ (4,254)</u>
Maintenance of general buildings and grounds:				
General properties	\$ 428,277	\$ 525,801	\$ 402,383	\$ 123,418
Canneries	53,810	53,810	50,570	3,240
Public works administration	177,534	173,247	170,542	2,705
SLFR State & Local Fiscal Recovery	-	317,221	317,221	-
Total maintenance of general buildings and grounds	<u>\$ 659,621</u>	<u>\$ 1,070,079</u>	<u>\$ 940,716</u>	<u>\$ 129,363</u>
Total public works	<u>\$ 1,157,821</u>	<u>\$ 1,532,379</u>	<u>\$ 1,407,284</u>	<u>\$ 125,095</u>

County of Bland, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Health and welfare:				
Health:				
Supplement of local health department	\$ 115,448	\$ 115,448	\$ 115,448	\$ -
Mental health and mental retardation:				
Community services board	\$ 39,000	\$ 45,559	\$ 39,000	\$ 6,559
Welfare:				
Welfare and public assistance	\$ 811,282	\$ 893,101	\$ 1,098,615	\$ (205,514)
Elderly and handicapped services	9,700	9,700	9,700	-
Comprehensive services	423,856	423,856	294,683	129,173
Other welfare	2,053	2,053	2,000	53
Total welfare	<u>\$ 1,246,891</u>	<u>\$ 1,328,710</u>	<u>\$ 1,404,998</u>	<u>\$ (76,288)</u>
Total health and welfare	<u>\$ 1,401,339</u>	<u>\$ 1,489,717</u>	<u>\$ 1,559,446</u>	<u>\$ (69,729)</u>
Education:				
Other instructional costs:				
Contributions to Community College	\$ 8,848	\$ 8,848	\$ 8,848	\$ -
Contribution to County School Board	2,688,516	2,688,516	2,816,340	(127,824)
Total education	<u>\$ 2,697,364</u>	<u>\$ 2,697,364</u>	<u>\$ 2,825,188</u>	<u>\$ (127,824)</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Recreation facilities	\$ 8,854	\$ 10,683	\$ 8,534	\$ 2,149
Rocky Gap Greenway project	422,000	422,000	246,668	175,332
Total parks and recreation	<u>\$ 430,854</u>	<u>\$ 432,683</u>	<u>\$ 255,202</u>	<u>\$ 177,481</u>
Cultural enrichment:				
Indian Village	\$ 149,334	\$ 216,567	\$ 146,764	\$ 69,803
Youth enrichment program	-	1,100	900	200
Total cultural enrichment	<u>\$ 149,334</u>	<u>\$ 217,667</u>	<u>\$ 147,664</u>	<u>\$ 70,003</u>
Library:				
Library	\$ 215,665	\$ 274,309	\$ 229,454	\$ 44,855
Total parks, recreation, and cultural	<u>\$ 795,853</u>	<u>\$ 924,659</u>	<u>\$ 632,320</u>	<u>\$ 292,339</u>
Community development:				
Planning and community development:				
Community development	\$ 90,587	\$ 91,769	\$ 89,143	\$ 2,626
Planning	92,656	161,306	142,643	18,663
Contribution to EDA	130,000	130,000	201,400	(71,400)
Contribution to Wireless Authority	6,362	6,862	8,894	(2,032)
Economic development	69,690	110,390	76,554	33,836
Tourism	60,504	92,686	95,982	(3,296)
Total planning and community development	<u>\$ 449,799</u>	<u>\$ 593,013</u>	<u>\$ 614,616</u>	<u>\$ (21,603)</u>

County of Bland, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Community development: (Continued)				
Environmental management:				
Regional contributions	\$ 13,500	\$ 13,500	\$ 10,500	\$ 3,000
Soil and Water Conservation District payroll	-	-	186,854	(186,854)
Total environmental management	<u>\$ 13,500</u>	<u>\$ 13,500</u>	<u>\$ 197,354</u>	<u>\$ (183,854)</u>
Cooperative extension program:				
Extension office	\$ 86,420	\$ 90,170	\$ 89,701	\$ 469
Total community development	<u>\$ 549,719</u>	<u>\$ 696,683</u>	<u>\$ 901,671</u>	<u>\$ (204,988)</u>
Capital projects:				
Medical center project	\$ 35,000	\$ 35,000	-	\$ 35,000
Other capital projects	50,000	50,000	-	50,000
Total capital projects	<u>\$ 85,000</u>	<u>\$ 85,000</u>	<u>\$ -</u>	<u>\$ 85,000</u>
Debt service:				
Principal retirement	\$ 165,000	\$ 165,000	\$ 174,600	\$ (9,600)
Interest and other fiscal charges	59,741	59,741	59,945	(204)
Total debt service	<u>\$ 224,741</u>	<u>\$ 224,741</u>	<u>\$ 234,545</u>	<u>\$ (9,804)</u>
Total General Fund	<u>\$ 11,604,550</u>	<u>\$ 12,839,325</u>	<u>\$ 11,995,736</u>	<u>\$ 843,589</u>
Total Primary Government	<u>\$ 11,604,550</u>	<u>\$ 12,839,325</u>	<u>\$ 11,995,736</u>	<u>\$ 843,589</u>
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Instruction costs:				
Instruction costs	\$ 7,038,338	\$ 7,548,317	\$ 7,550,776	\$ (2,459)
Operating costs:				
Administration and health services	\$ 773,415	\$ 785,963	\$ 754,342	\$ 31,621
Pupil transportation	783,351	794,022	795,041	(1,019)
Operation and maintenance of school plant	1,558,754	2,055,388	2,108,904	(53,516)
Total operating costs	<u>\$ 3,115,520</u>	<u>\$ 3,635,373</u>	<u>\$ 3,658,287</u>	<u>\$ (22,914)</u>
School food services:				
Administration of school food program	\$ 491,655	\$ 735,546	\$ 622,388	\$ 113,158
Total School Operating Fund	<u>\$ 10,645,513</u>	<u>\$ 11,919,236</u>	<u>\$ 11,831,451</u>	<u>\$ 87,785</u>

Other Statistical Information

Table 1

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

Fiscal Year	General										Interest on Long-Term Debt	Service Authority	Total
	Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development					
2022-23	\$ 1,355,589	\$ 634,657	\$ 2,378,204	\$ 1,022,643	\$ 1,517,243	\$ 2,825,188	\$ 391,166	\$ 791,349	\$ 40,657	\$ 1,659,510	\$ 12,616,206		
2021-22	637,908	525,532	1,550,174	1,490,057	1,175,909	2,139,580	817,133	154,242	47,219	1,606,985	10,144,739		
2020-21	1,356,149	556,713	2,607,312	995,004	1,534,988	3,123,786	439,107	552,288	53,151	1,572,492	12,790,990		
2019-20	1,336,162	566,060	1,941,421	1,080,176	1,593,791	2,362,119	494,376	472,711	58,645	1,498,775	11,404,236		
2018-19	1,286,224	495,449	1,774,271	1,021,869	1,537,420	1,996,849	376,996	182,184	64,385	1,425,938	10,161,585		
2017-18	1,209,853	491,696	1,807,390	846,654	1,528,012	2,222,735	494,815	177,442	69,244	1,373,857	10,221,698		
2016-17	1,039,462	492,290	1,568,382	851,842	1,432,762	2,470,955	622,192	587,746	73,896	1,517,800	10,657,327		
2015-16	972,705	456,139	1,662,417	797,128	1,389,567	2,670,132	562,562	55,249	77,817	1,273,892	9,917,608		
2014-15	954,717	416,140	1,551,766	860,933	1,483,133	2,331,385	425,297	115,637	81,988	1,057,244	9,278,240		
2013-14	938,433	452,885	1,700,060	748,735	1,539,871	1,925,993	354,602	343,923	87,939	997,642	9,090,083		

Table 2

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

Fiscal Year	PROGRAM REVENUES				GENERAL REVENUES							Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs			
2022-23	\$ 1,542,135	\$ 3,013,945	\$ 791,591	\$ 5,660,679	\$ 1,457,320	\$ 52,477	\$ 592,001	\$ 1,338,386	\$ 14,448,534			
2021-22	1,344,159	3,353,587	481,266	5,118,431	1,259,100	27,897	534,470	711,598	12,830,508			
2020-21	1,174,720	3,495,106	8,166	4,988,721	1,066,246	62,676	464,630	680,536	11,940,801			
2019-20	1,115,100	2,551,990	116,971	4,973,367	1,000,285	101,835	86,246	680,006	10,625,800			
2018-19	1,365,324	2,455,100	472,934	4,902,341	932,301	124,415	268,001	680,996	11,201,412			
2017-18	1,449,449	2,599,129	853,171	4,667,009	839,472	62,532	703,847	678,572	11,853,181			
2016-17	1,196,789	2,319,531	260,463	4,804,541	626,117	49,725	322,821	604,434	10,184,421			
2015-16	1,154,461	2,155,814	1,080,328	4,536,479	563,483	33,807	258,715	603,491	10,386,578			
2014-15	1,044,425	2,287,302	655,801	4,344,114	526,829	23,722	302,269	584,868	9,769,330			
2013-14	943,157	2,535,982	200,740	4,265,515	764,027	19,518	251,329	595,694	9,575,962			

Table 3

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

Fiscal Year	General Governmental Expenditures by Function										Total
	General Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Debt Service (3)		
2022-23	\$ 1,415,687	\$ 656,055	\$ 2,363,540	\$ 1,407,284	\$ 1,559,446	\$ 11,840,299	\$ 632,320	\$ 901,671	\$ 234,545	\$	\$ 21,010,847
2021-22	1,343,552	630,839	1,975,201	1,529,150	1,452,412	9,774,006	898,783	760,092	235,910		18,599,945
2020-21	1,319,036	541,340	2,711,980	968,800	1,537,210	9,227,355	349,580	680,033	222,113		17,557,447
2019-20	1,292,293	533,690	1,834,452	1,051,291	1,481,875	8,147,426	384,828	601,401	222,759		15,550,015
2018-19	1,242,535	516,876	1,811,543	1,182,104	1,519,661	8,310,897	426,440	212,859	223,000		15,445,915
2017-18	1,314,781	526,040	1,923,019	894,002	1,558,255	8,169,988	454,799	192,573	192,809		15,226,266
2016-17	1,076,486	512,145	1,741,206	860,040	1,453,418	8,626,112	645,402	270,995	192,413		15,378,217
2015-16	1,118,225	462,244	1,586,354	822,314	1,380,946	8,695,528	478,735	194,163	191,284		14,929,793
2014-15	1,003,337	466,171	1,630,686	858,453	1,488,803	8,310,730	392,965	270,548	261,016		14,682,709
2013-14	1,037,305	457,972	1,557,278	839,446	1,545,538	9,082,285	319,309	549,524	262,157		15,650,814

(1) Includes General Fund of the Primary Government and its Discretely Presented Component Units.

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit and capital projects.

(3) The County refunded \$2,925,391 in fiscal year 2012-13.

County of Bland, 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
2022-23	\$ 5,476,585	\$ 1,457,320	\$ 17,935	\$ 363,555	\$ 85,280	\$ 729,778	\$ 927,596	\$ 374,066	\$ 14,592,147	\$ 24,024,262
2021-22	5,229,221	1,259,100	18,986	240,852	24,202	703,645	707,065	306,313	11,832,822	20,322,206
2020-21	5,036,261	1,066,246	20,017	194,798	56,866	542,712	691,335	240,061	10,135,991	17,984,287
2019-20	4,955,516	1,000,285	32,048	214,685	104,369	404,876	366,317	289,480	8,593,693	15,961,269
2018-19	5,035,232	932,301	17,862	371,220	98,225	493,631	530,829	83,787	9,059,341	16,622,428
2017-18	4,713,228	839,472	18,464	524,490	59,529	460,138	973,608	94,758	8,897,648	16,581,335
2016-17	4,682,542	693,232	20,705	292,407	47,733	457,024	651,779	140,580	8,659,568	15,645,570
2015-16	4,527,206	633,363	22,908	256,535	28,069	481,320	538,198	260,442	8,479,846	15,227,887
2014-15	4,267,174	602,682	26,878	191,061	14,926	500,409	492,486	407,445	8,609,339	15,112,400
2013-14	4,222,834	764,027	21,115	190,822	11,823	550,363	494,375	604,867	9,163,339	16,023,565

(1) Includes General and Debt Service funds of the Primary Government and its Discretely Presented Component Units.

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

Table 5

County of Bland, 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		Percent of Delinquent Taxes to Tax Levy
						Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1)	
2022-23	\$ 5,892,953	\$ 5,579,636	94.68%	\$ 189,005	\$ 5,768,641	97.89%	\$ 820,440	13.92%
2021-22	5,462,445	5,245,387	96.03%	254,460	5,499,847	100.68%	709,612	12.99%
2020-21	5,316,014	5,086,052	95.67%	232,494	5,318,546	100.05%	778,377	14.64%
2019-20	5,238,394	5,005,980	95.56%	219,122	5,225,102	99.75%	841,194	16.06%
2018-19	5,162,574	4,784,280	92.67%	343,142	5,127,422	99.32%	815,923	15.80%
2017-18	4,971,556	4,706,906	94.68%	266,254	4,976,160	100.09%	950,340	19.12%
2016-17	4,948,494	4,759,267	96.18%	203,170	4,962,437	100.28%	918,708	18.57%
2015-16	4,867,612	4,554,021	93.56%	239,686	4,793,707	98.48%	906,887	18.63%
2014-15	4,743,083	4,431,069	93.42%	133,978	4,565,047	96.25%	873,033	18.41%
2013-14	4,584,884	4,358,792	95.07%	161,247	4,520,039	98.59%	803,089	17.52%

(1) Exclusive of penalties and interest. Includes payments from the State under the PPTRA Program.

Table 6

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

Fiscal Year	Real Estate (1)	Personal Property and Mobile Homes	Machinery and Tools	Merchant's Capital	Public Utility (2)	Total
2022-23	\$ 473,643,800	\$ 95,570,189	\$ 26,362,445	\$ 29,307,911	\$ 99,681,043	\$ 724,565,388
2021-22	470,573,200	75,139,178	27,716,715	19,231,761	105,305,361	697,966,215
2020-21	470,148,200	69,069,704	26,999,772	21,122,131	100,564,605	687,904,412
2019-20	457,625,087	69,605,562	27,177,808	22,348,909	99,214,574	675,971,940
2018-19	450,969,800	66,175,285	28,144,295	23,492,950	102,918,933	671,701,263
2017-18	445,458,400	64,891,400	26,428,235	32,410,760	74,565,512	643,754,307
2016-17	440,938,400	65,406,832	22,601,860	40,886,880	68,192,057	638,026,029
2015-16	438,559,100	63,434,327	21,173,188	17,999,660	68,887,711	610,053,986
2014-15	438,354,300	62,032,071	21,751,011	16,386,062	69,157,475	607,680,919
2013-14	474,248,200	61,457,778	22,065,463	18,517,645	68,896,268	645,185,354

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

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

Table 7

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

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Merchant's Capital	Machinery and Tools
2022-23	\$ 0.60	\$ 2.29	\$ 0.60	\$ 0.73	\$ 1.05
2021-22	0.60	2.29	0.60	0.73	0.89
2020-21	0.60	2.29	0.60	0.73	0.89
2019-20	0.60	2.29	0.60	0.73	0.89
2018-19	0.60	2.29	0.60	0.73	0.89
2017-18	0.60	2.29	0.60	0.73	0.89
2016-17	0.60	2.29	0.60	0.73	0.89
2015-16	0.60	2.29	0.60	0.73	0.89
2014-15	0.60	2.29	0.60	0.73	0.89
2013-14	0.55	2.29	0.55	0.73	0.89

(1) Per \$100 of assessed value.

Table 8

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

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross and Net Bonded Debt (3)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value		Net Bonded Debt per Capita
					Assessed Value	Net Bonded Debt	
2022-23	6,148	\$ 724,565	\$ -	-	0.00%	-	
2021-22	6,270	697,966	-	-	0.00%	-	
2020-21	6,270	687,904	-	-	0.00%	-	
2019-20	6,824	675,972	-	-	0.00%	-	
2018-19	6,824	671,701	-	-	0.00%	-	
2017-18	6,824	643,754	-	-	0.00%	-	
2016-17	6,824	638,026	-	-	0.00%	-	
2015-16	6,824	610,054	-	-	0.00%	-	
2014-15	6,824	607,681	-	-	0.00%	-	
2013-14	6,824	645,185	65,000	65,000	0.01%	10	

(1) Center for Public Service at the University of Virginia.

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

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

Table 9

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

Fiscal Year	Principal (2)	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2022-23	\$ 174,600	\$ 59,945	\$ 234,545	\$ 21,010,847	1.12%
2021-22	169,516	66,394	235,910	18,599,945	1.27%
2020-21	150,000	72,113	222,113	17,557,447	1.27%
2019-20	145,000	77,759	222,759	15,550,015	1.43%
2018-19	140,000	83,000	223,000	15,445,915	1.44%
2017-18	105,000	87,809	192,809	15,226,266	1.27%
2016-17	100,000	92,413	192,413	15,378,217	1.25%
2015-16	95,000	96,284	191,284	14,929,793	1.28%
2014-15	160,000	101,016	261,016	14,682,709	1.78%
2013-14	155,000	107,157	262,157	15,650,814	1.68%

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

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 Board of Supervisors
County of Bland, Virginia
Bland, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Bland, Virginia as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County of Bland, Virginia's basic financial statements and have issued our report thereon dated December 21, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Bland, 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 Bland, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Bland, 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 a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs, as item 2023-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

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

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

Polina, Fane, Cox Associates

Blacksburg, Virginia
December 21, 2023



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

To the Board of Supervisors
County of Bland, Virginia
Bland, Virginia

Report of Compliance for Each Major Federal Program

Opinion of Each Major Federal Program

We have audited the County of Bland, Virginia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County of Bland, Virginia's major federal programs for the year ended June 30, 2023. The County of Bland, 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 Bland, 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, 2023.

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 Bland, 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 Bland, 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 Bland, 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 Bland, 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 Bland, 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 Bland, 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 Bland, 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 Bland, 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.

Polina, Faver, Cox Associates

Blacksburg, Virginia
December 21, 2023

County of Bland, Virginia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/State Pass - Through Grantor/Cluster/Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass Through Payments:			
Virginia Department of Social Services:			
Guardianship Assistance	93.090	1110122/1110123	\$ 34
Title IV-E Prevention Program	93.472	1140122/1140123	1,386
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950121/0950122	16,179
Temporary Assistance for Needy Families	93.558	0400122/0400123	83,676
Refugee and Entrant Assistance - State/Replacement Designee Administered Programs	93.566	0500122/0500123	392
Low-Income Home Energy Assistance	93.568	0600422/0600423	17,327
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760122/0760123	19,552
Chafee Education and Training Vouchers Program (ETV)	93.599	9160121	420
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900121/0900122	133
Foster Care Title IV-E	93.658	1100122/1100123	48,007
Adoption Assistance	93.659	1120122/1120123	73,190
Social Services Block Grant	93.667	1000122/1000123	128,262
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150121/9150122	713
Elder Abuse Prevention Interventions Program	93.747	Not available	208
Children's Health Insurance Program	93.767	0540122/0540123	711
Medicaid Cluster:			
Medical Assistance Program	93.778	1200122/1200123	90,358
Virginia Department of Education:			
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	APE402970000	96,332
Total Department of Health and Human Services			<u>\$ 576,880</u>
Department of Agriculture:			
Pass Through Payments:			
Child Nutrition Cluster:			
Virginia Department of Agriculture and Consumer Services:			
National School Lunch Program - Food Distribution (3)	10.555	Not available	\$ 27,427
Virginia Department of Education:			
National School Lunch Program			
	10.555	APE402540000/ APE411060000/APE411080000	329,012 \$ 356,439
School Breakfast Program	10.553	APE402530000/APE411100000	129,063 \$ 485,502
Child and Adult Care Food Program	10.558	APE700270000/APE700280000	19,849
COVID-19 Pandemic EBT Administrative Costs	10.649	DOE865560000	628
Forest Service Schools and Roads Cluster:			
Schools and Roads - Grants to States	10.665	APE438410000	81,441
Virginia Department of Social Services:			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010122/0010123/ 0040122/0040123	176,566
Total Department of Agriculture			<u>\$ 763,986</u>
Department of Treasury:			
Direct Payments:			
COVID-19 Local Assistance and Tribal Consistency Fund	21.032	Not applicable	\$ 86,385
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not applicable	\$ 577,391
Pass Through Payments:			
Virginia Tourism Corporation			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Not available	30,000
Virginia Department of Education:			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	APE600540000/APE452770000	276,098 883,489
Total Department of Treasury			<u>\$ 969,874</u>
Department of Homeland Security:			
Pass Through Payments:			
Department of Emergency Services:			
Emergency Management Performance Grants	97.042	EMP-2020-EP-00005	\$ 7,500
The Institute of Museum and Library Services:			
Pass Through Payments:			
Library of Virginia:			
Grants to States	45.310	Not available	\$ 69
Department of Transportation:			
Pass Through Payments:			
Virginia Department of Transportation:			
Highway Planning and Construction	20.205	EN14-010-789, C501	\$ 262,112

County of Bland, Virginia
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2023

Federal Grantor/State Pass - Through Grantor/Cluster/Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Justice:			
Pass Through Payments:			
Department of Criminal Justice Service:			
Crime Victim Assistance	16.575	20V2GX0048	\$ 52,591
COVID Emergency Supplemental Funding Program	16.034	20VDBX0141	<u>50,000</u>
Total Department of Justice			<u>\$ 102,591</u>
Department of Education:			
Pass Through Payments:			
Virginia Department of Education:			
Title I: Grants to Local Educational Agencies	84.010	APE429010000	\$ 171,838
Special Education Cluster:			
Special Education - Grants to States	84.027	APE402870000/APE430710000	\$ 205,950
Special Education - Preschool Grants	84.173	APE625210000	<u>8,739</u> 214,689
Career and Technical Education - Basic Grants to States	84.048	APE600310000	24,293
Student Support and Academic Enrichment Grants	84.424	APE600190000	9,613
COVID-19 Education Stabilization Fund:			
COVID-19 Governor's Emergency Education Relief Fund	84.425C	APE452780000	13,682
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	APE501950000/APE600410000	87,084
COVID-19 American Rescue Plan-Elementary and Secondary School Emergency Relief Fund	84.425U	APE501930000/APE501930000	265,364
Supporting Effective Instruction State Grants	84.367	APE614800000	<u>32,935</u>
Total Department of Education			<u>\$ 819,498</u>
Total Expenditures of Federal Awards			<u>\$ 3,502,510</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 Bland County, Virginia under programs of the federal government for the year ended June 30, 2023. 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 Bland, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Bland, Virginia.

Note 2 -- Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

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

Note 3 -- Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. At June 30, 2023, the Bland County School Board had food commodities totaling \$27,427 in inventory.

Note 4 -- Subrecipients

The County did not have any subrecipients for the year ended June 30, 2023.

Note 5 -- Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:	
Primary government:	
General Fund	\$ 1,963,975
Less: Payment in Lieu of Taxes	(240,813)
Total General Fund	<u>\$ 1,723,162</u>
Total primary government	<u>\$ 1,723,162</u>
Component Unit School Board:	
School Operating Fund	<u>\$ 1,779,348</u>
Total federal expenditures per the basic financial statements	<u>\$ 3,502,510</u>
Federal expenditures per the Schedule of Expenditures of Federal Awards	<u>\$ 3,502,510</u>

County of Bland, Virginia

Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2023

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting: Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs: Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No

Identification of major programs:

<u>Assistance Listing #</u>	<u>Name of Federal Program or Cluster</u>
84.425	COVID 19 - Education Stabilization Fund
21.027	COVID 19 - Coronavirus State & Local Fiscal Recovery Funds
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
--	----

County of Bland, Virginia

Schedule of Findings and Questioned Costs (Continued)
For The Year Ended June 30, 2023

Section II - Financial Statement Findings

2023-001

Criteria: A key concept of internal control is the segregation of duties. No one employee should have access to both accounting records and related assets.

Condition: The County and the School Board lack proper segregation of duties over the following functions: Collections in the Treasurer's office, Accounts Payable and Payroll at the County; and Accounts Payable and Payroll at the School Board.

Cause: The County and School Board lack the funding to fully support a completely segregated finance department.

Effect: There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control over financial reporting.

Recommendation: Management should further try to segregate duties amongst current staff to help mitigate risk created by improper segregation of duties.

Management's Response: Management acknowledges that internal control over the functions listed above lack proper segregation of duties; however, to appropriately mitigate the same would require additional staff. Due to cost constraints, the County and School Board have decided not to address the aforementioned internal control deficiency.

Section III - Federal Award Findings and Questioned Costs

None

County of Bland, Virginia

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2023

2022-001 **Material Weakness**

Condition: The County and the School Board lack proper segregation of duties over the following functions: Collections in the Treasurer's office, Accounts Payable and Payroll at the County; and Accounts Payable and Payroll at the School Board.

Recommendation: Management should further try to segregate duties amongst current staff to help mitigate risk created by improper segregation of duties.

Current Status: Finding 2022-001 was repeated in the current year as 2023-001.