

COUNTY OF PULASKI, VIRGINIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

County of Pulaski, Virginia
 Annual Financial Report
 For the Fiscal Year Ended June 30, 2025

Table of Contents

INTRODUCTORY SECTION

	<u>Page</u>
List of Elected and Appointed Officials.....	1-2

FINANCIAL SECTION

Independent Auditors' Report	3-5
------------------------------------	-----

	<u>Exhibit</u>	<u>Page</u>
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position.....	1	6
Statement of Activities	2	7
Fund Financial Statements:		
Balance Sheet - Governmental Funds	3	8
Reconciliation of the Balance Sheet of Governmental Funds		
to the Statement of Net Position	4	9
Statement of Revenues, Expenditures, and Changes in Fund Balances -		
Governmental Funds	5	10
Reconciliation of the Statement of Revenues, Expenditures, and Changes		
in Fund Balances of Governmental Funds to the Statement of Activities	6	11
Statement of Net Position - Proprietary Funds.....	7	12
Statement of Revenues, Expenses, and Changes in Net Position -		
Proprietary Funds	8	13
Statement of Cash Flows - Proprietary Funds	9	14
Statement of Fiduciary Net Position - Fiduciary Funds	10	15
Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	11	16
Notes to Financial Statements.....		17-93

**County of Pulaski, Virginia
Annual Financial Report
For the Fiscal Year Ended June 30, 2025**

Table of Contents (continued)

	<u>Exhibit</u>	<u>Page</u>
Required Supplementary Information:		
Schedule of Revenues, Expenditures, and Change in Fund Balances - Budget and Actual:		
General Fund.....	12	94
Schedules Related to Pension Funding:		
Schedule of Employer’s Proportionate Share of Net Pension Liability (Asset).....	13	95
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios -		
Component Unit School Board (nonprofessional)	14	96
Schedule of Employer Contributions.....	15	97
Notes to Required Supplementary Information	16	98
Schedules Related to Other Postemployment Benefits:		
Schedule of County’s Share of Net OPEB Liability - Healthcare OPEB Plan	17	99
Notes to Required Supplementary Information - Healthcare OPEB Plan	18	100
Schedule of County’s Share of Net OPEB Liability - Group Life Insurance Plan	19	101
Schedule of Employer Contributions - Group Life Insurance Plan	20	102
Notes to Required Supplementary Information - Group Life Insurance Plan.....	21	103
Schedule of County School Board’s Share of Net OPEB Liability - Teacher Employee		
Health Insurance Credit (HIC) Plan	22	104
Schedule of Employer Contributions - Teacher Employee Health Insurance		
Credit (HIC) Plan	23	105
Notes to Required Supplementary Information - Teacher Employee Health Insurance		
Credit (HIC) Plan	24	106
Schedule of Changes in the Component Unit School Board’s Net OPEB Liability and Related		
Ratios - Health Insurance Credit (HIC) Plan	25	107
Schedule of Employer Contributions - Health Insurance Credit (HIC) Plan.....	26	108
Notes to Required Supplementary Information -Health Insurance Credit (HIC) Plan	27	109
Other Supplementary Information:		
Combining and Individual Fund Financial Statements and Schedules:		
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual:		
Major Capital Projects Fund - County CIP Fund.....	28	110
Major Capital Projects Fund - School CIP Fund	29	111
Combining Statement of Fiduciary Net Position - Fiduciary Funds	30	112
Combining Statement of Changes in Fiduciary Net Position - Fiduciary Funds	31	113

County of Pulaski, Virginia
Annual Financial Report
For the Fiscal Year Ended June 30, 2025

Table of Contents (continued)

	<u>Exhibit</u>	<u>Page</u>
Other Supplementary Information: (continued)		
Discretely Presented Component Unit - School Board:		
Balance Sheet	32	114
Statement of Revenues, Expenditures, and Changes in Fund Balances	33	115
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual.....	34	116
Discretely Presented Component Unit - Sports Tourism & Entertainment Authority:		
Statement of Net Position - Proprietary Fund.....	35	117
Statement of Revenues, Expenditures, and Changes in Net Position - Proprietary Fund	36	118
Statement of Cash Flows - Proprietary Fund	37	119
<u>Table</u> <u>Page</u>		
Statistical Information:		
Government-Wide Information:		
Government-Wide Expenses by Function	1	120
Government-Wide Revenues.....	2	121
Fund Information:		
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 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 Programs and on Internal Control over Compliance Required by the Uniform Guidance	131-132
Schedule of Expenditures of Federal Awards.....	133-134
Schedule of Findings and Questioned Costs.....	135-136
Summary Schedule of Prior Audit Findings.....	137

INTRODUCTORY SECTION

COUNTY OF PULASKI, VIRGINIA

Board of Supervisors

Dirk I. Compton, Vice Chairman
Christopher A. Stafford

Laura Walters, Chair

Ashley Edmonds, Clerk

Michael D. Mooney
Jeffrey G. Reeves

County School Board

Gina Paine, Vice Chair
Sabrina Cox

Joshua Taylor, Chair

Teresa Porter, Clerk

Jacob Price
Billy Williams

Social Services Board

Faye Powell Hawkins, Vice Chair
Kathy Bopp

Kimberly Matthews, Chair

Kim Riffey, Clerk

Don Shelor
Michael Mooney

Library Board

T.J. Cox
Carol Smith
Robin Keener
Kathy Weddle

Lynne Clark, Chair

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

COUNTY OF PULASKI, VIRGINIA

Other Officials

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

FINANCIAL SECTION



Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Change in Accounting Principle

As described in Note 24 to the financial statements, in 2025, the County adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 24 to the financial statements, in 2025, the County restated beginning balances to reflect the requirements of GASB Statement No. 101. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County of Pulaski, Virginia’s ability to continue as a

going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2026, on our consideration of the County of Pulaski, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Pulaski, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Pulaski, Virginia's internal control over financial reporting and compliance.

Robinson, Jarmon, Cox, Associates

Blacksburg, Virginia
April 10, 2026

Basic Financial Statements

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

	Primary Government	Component Units			
	Governmental Activities	School Board	Public Service Authority	Economic Development Authority	Sports Tourism & Entertainment Authority
ASSETS					
Cash and Cash Equivalents	\$ 36,918,772	\$ 8,489,999	\$ 4,635,581	\$ 693,535	\$ 124,800
Receivables (Net of Allowance for Uncollectibles):					
Taxes	14,876,790	-	-	-	-
Other Local Taxes and Fees	616,341	-	-	-	-
Accounts Receivable	416,998	-	1,812,352	19,565	-
Lease Receivable	100,964	-	-	770,984	-
Note Receivable	-	-	-	35,527,734	-
Loan Receivable	240,619	-	1,889,234	-	-
Opioid Settlement	1,846,844	-	-	-	-
Rent Receivable	-	-	-	374,943	-
Interest Receivable	-	-	-	98,804	-
Prepaid Items	328,061	848,308	22,593	29,569	1,749
Due from Primary Government	-	2,318,950	-	-	-
Due from Other Governmental Units	2,669,043	2,558,014	65,612	-	-
Due from Component Units	350,236	-	-	-	-
Net Pension Asset	-	237,261	-	-	-
Restricted Assets:					
Cash and Cash Equivalents	1,842,816	-	381,515	11,350,873	-
Capital Assets, Not Being Depreciated/Amortized	12,732,431	2,372,945	2,838,035	2,760,552	-
Capital Assets, Net of Accumulated Depreciation/Amortization	101,132,719	23,243,915	25,350,216	15,169,913	-
Total Assets	\$ 174,072,634	\$ 40,069,392	\$ 36,995,138	\$ 66,796,472	\$ 126,549
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charges on Refunding	\$ 68,677	\$ -	\$ -	\$ -	\$ -
Pension Related Items	4,639,130	10,190,539	677,438	-	-
OPEB Related Items	535,640	1,744,487	57,819	-	-
Total Deferred Outflows of Resources	\$ 5,243,447	\$ 11,935,026	\$ 735,257	\$ -	\$ -
LIABILITIES					
Accounts Payable	\$ 1,494,242	\$ 597,191	\$ 298,542	\$ 56,857	\$ 24,127
Accrued Wages	1,167,122	4,740,134	192,554	-	-
Customer Deposits	-	-	211,352	19,146	-
Accrued Interest Payable	559,051	-	29,506	17,532	-
Due to Component Units	2,318,950	-	-	-	-
Due to Primary Government	-	128,635	-	214,298	7,303
Cash held for others	-	-	-	529,853	-
Unearned Revenue	87,381	350,000	-	16,686	-
Long-Term Liabilities:					
Due Within One Year	8,083,748	6,573,671	563,149	2,584,581	-
Due in More Than One Year	54,569,020	33,053,308	11,850,863	37,602,594	-
Total Liabilities	\$ 68,279,514	\$ 45,442,939	\$ 13,145,966	\$ 41,041,547	\$ 31,430
DEFERRED INFLOWS OF RESOURCES					
Deferred Revenue - Property Taxes	\$ 11,775,076	\$ -	\$ -	\$ -	\$ -
Lease Related Items	95,655	-	-	734,480	-
Pension Related Items	1,650,122	5,161,154	270,791	-	-
OPEB Related Items	636,255	2,328,533	90,338	-	-
Total Deferred Inflows of Resources	\$ 14,157,108	\$ 7,489,687	\$ 361,129	\$ 734,480	\$ -
NET POSITION					
Net Investment in Capital Assets	\$ 64,114,562	\$ 25,233,886	\$ 17,981,390	\$ 13,243,102	\$ -
Restricted	6,133,388	345,131	381,515	-	-
Unrestricted (Deficit)	26,631,509	(26,507,225)	5,860,395	11,777,343	95,119
Total Net Position	\$ 96,879,459	\$ (928,208)	\$ 24,223,300	\$ 25,020,445	\$ 95,119

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

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

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	School Board	Public Service Authority	Economic Development Authority	Sports Tourism & Entertainment Authority
Primary Government:							
Governmental Activities:							
General Government Administration	\$ 4,609,549	\$ 121,276	\$ -	\$ (4,012,650)			
Judicial Administration	3,266,377	78,794	-	(1,704,310)			
Public Safety	21,175,170	2,169,795	-	(14,567,784)			
Public Works	6,133,654	58,377	-	(6,061,986)			
Health and Welfare	11,476,191	-	-	(3,533,762)			
Education	19,503,551	-	-	(19,503,551)			
Parks, Recreation and Cultural	4,442,157	395,428	-	(3,840,565)			
Community Development	14,807,266	-	-	(14,807,266)			
Interest on long-term debt	1,381,611	-	-	(1,381,611)			
Total Primary Government	\$ 86,795,526	\$ 2,783,670	\$ 14,598,371	\$ (69,413,485)			
Component Units:							
School Board	\$ 68,710,415	\$ 1,072,942	\$ -	\$ (15,536,707)	\$ -	\$ -	\$ -
Public Service Authority	11,320,975	10,469,365	1,429,053	-	577,443	-	-
Economic Development Authority	3,039,551	1,650,772	-	-	-	(1,388,829)	-
Sports Tourism & Entertainment Authority	256,764	-	-	-	-	-	(256,764)
Total Component Units	\$ 83,327,705	\$ 13,193,029	\$ 1,429,053	\$ (15,536,707)	\$ 577,443	\$ (1,388,829)	\$ (256,764)
General Revenues:							
General Property Taxes	\$ 39,365,750						
Local Sales and Use Taxes	4,717,406						
Consumers' Utility Taxes	683,993						
Cigarette Tax	453,306						
Business Licenses	1,014,038						
Consumption Taxes	98,644						
Motor Vehicle Licenses	611,244						
Bank Stock Taxes	8,478						
Taxes on Recordation and Wills	282,116						
Hotel and Motel Room Taxes	573,941						
Restaurant Food Taxes	2,153,904						
Unrestricted Revenues from Use of Money	1,669,452	91,299		197,032	34,265		
Miscellaneous	1,504,119	99,995		387,748	135,697		1,000
Payments from Primary Government	-	17,255,883		-	11,883,027		350,883
Grants and Contributions Not Restricted to Specific Programs	2,415,439						
Total General Revenues and Special Items	\$ 55,551,830	\$ 17,447,177	\$ -	\$ 584,780	\$ 12,052,989	\$ -	\$ 351,883
Change in Net Position	\$ (13,861,655)	\$ 1,910,470	\$ -	\$ 1,162,223	\$ 10,664,160	\$ -	\$ 95,119
Net Position - Beginning, as previously reported							
Restatements							
Net Position - Beginning, as restated	\$ 110,741,114	\$ (4,416,970)	\$ -	\$ 1,578,292	\$ 23,424,177	\$ 14,356,285	\$ -
Net Position - Ending	\$ 96,879,459	\$ (2,838,678)	\$ -	\$ 23,061,077	\$ 24,223,300	\$ 25,020,445	\$ 95,119

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

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

	<u>General</u>	<u>School CIP Fund</u>	<u>County CIP Fund</u>	<u>Total</u>
ASSETS				
Cash and Cash Equivalents	\$ 28,521,700	\$ 524,906	\$ 7,872,166	\$ 36,918,772
Receivables (Net of Allowance for Uncollectibles):				
Taxes	14,876,790	-	-	14,876,790
Other Local Taxes and Fees	616,341	-	-	616,341
Accounts	261,455	-	-	261,455
Leases	100,964	-	-	100,964
Opioid Settlement	1,846,844	-	-	1,846,844
Due from Other Funds	316,444	294,412	-	610,856
Due from Other Governmental Units	2,669,043	-	-	2,669,043
Prepaid items	212,920	-	-	212,920
Due from Component Units	221,601	-	-	221,601
Restricted:				
Cash and cash equivalents	-	1,842,816	-	1,842,816
Total Assets	<u>\$ 49,644,102</u>	<u>\$ 2,662,134</u>	<u>\$ 7,872,166</u>	<u>\$ 60,178,402</u>
LIABILITIES				
Accounts Payable	\$ 910,389	\$ -	\$ 45,660	\$ 956,049
Accrued Wages	1,098,199	-	-	1,098,199
Due to Other Funds	172,411	-	181,228	353,639
Due to Component Units	2,318,950	-	-	2,318,950
Unearned Revenue	87,381	-	-	87,381
Total Liabilities	<u>\$ 4,587,330</u>	<u>\$ -</u>	<u>\$ 226,888</u>	<u>\$ 4,814,218</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	\$ 15,130,702	\$ -	\$ -	\$ 15,130,702
Unavailable Revenue - Opioid Settlement	1,846,844	-	-	1,846,844
Lease Related Items	95,655	-	-	95,655
Total Deferred Inflows of Resources	<u>\$ 17,073,201</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,073,201</u>
FUND BALANCE				
Nonspendable	\$ 212,920	\$ -	\$ -	\$ 212,920
Restricted	1,661,098	2,662,134	-	4,323,232
Committed	-	-	7,645,278	7,645,278
Assigned	2,519,213	-	-	2,519,213
Unassigned	23,590,340	-	-	23,590,340
Total Fund Balances	<u>\$ 27,983,571</u>	<u>\$ 2,662,134</u>	<u>\$ 7,645,278</u>	<u>\$ 38,290,983</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 49,644,102</u>	<u>\$ 2,662,134</u>	<u>\$ 7,872,166</u>	<u>\$ 60,178,402</u>

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

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

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	38,290,983	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.			
Capital assets, not being depreciated	\$	12,732,431	
Capital assets, net of accumulated depreciation/amortization		<u>101,132,719</u>	113,865,150
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.			
Unavailable Revenue - Property Taxes	\$	3,355,626	
Unavailable Revenue - Opioid Settlement		1,846,844	
Loans Receivable		<u>240,619</u>	5,443,089
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The assets and deferred outflows and liabilities and deferred inflows of the internal service funds are included in governmental activities in the Statement of Net Position.			(465,014)
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.			
Pension related items	\$	4,639,130	
OPEB related items		<u>535,640</u>	5,174,770
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds			
General Obligation Bonds	\$	(36,075,000)	
Literary Loans		(987,447)	
Lease Revenue Notes		(14,086,334)	
Unamortized Bond Premiums		(588,209)	
Unamortized Bond Discounts		282,842	
Landfill Post-Closure Monitoring Costs		(325,997)	
Lease Liabilities		(169,830)	
Subscription Liabilities		(38,103)	
Net Pension Liability		(4,052,670)	
Net OPEB Liabilities		(1,712,272)	
Deferred Charge on Refunding		68,677	
Compensated Absences		(4,899,748)	
Accrued Interest Payable		<u>(559,051)</u>	(63,143,142)
Deferred inflows of resources are not due and payable in the current period, and, therefore, are not reported in the funds.			
Pension related items	\$	(1,650,122)	
OPEB related items		<u>(636,255)</u>	(2,286,377)
Net Position of Governmental Activities	\$		<u><u>96,879,459</u></u>

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

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

	General Fund	School CIP Fund	County CIP Fund	Total
REVENUES				
General Property Taxes	\$ 39,340,899	\$ -	\$ -	\$ 39,340,899
Other Local Taxes	10,597,070	-	-	10,597,070
Permits, Privilege Fees and Regulatory Licenses	161,305	-	-	161,305
Fines and Forfeitures	70,909	-	-	70,909
Revenue from Use of Money and Property	1,703,701	86,557	-	1,790,258
Charges for Services	2,430,650	-	-	2,430,650
Miscellaneous	1,069,539	-	372,398	1,441,937
Recovered Costs	1,681,516	-	-	1,681,516
Intergovernmental	17,001,827	-	11,983	17,013,810
Total Revenues	<u>\$ 74,057,416</u>	<u>\$ 86,557</u>	<u>\$ 384,381</u>	<u>\$ 74,528,354</u>
EXPENDITURES				
Current:				
General Government Administration	\$ 4,204,732	\$ -	\$ 216,716	\$ 4,421,448
Judicial Administration	2,748,197	-	11,226	2,759,423
Public Safety	18,278,905	-	1,179,075	19,457,980
Public Works	3,868,568	-	1,568,056	5,436,624
Health and Welfare	10,854,858	-	63,909	10,918,767
Education	17,414,389	-	-	17,414,389
Parks, Recreation and Cultural	3,116,191	-	3,325,490	6,441,681
Community Development	13,652,853	-	789,248	14,442,101
Non-Departmental	9,829	-	-	9,829
Debt Service:				
Principal Retirement	3,784,007	-	38,058	3,822,065
Interest and Other Fiscal Charges	1,435,043	-	3,647	1,438,690
Total Expenditures	<u>\$ 79,367,572</u>	<u>\$ -</u>	<u>\$ 7,195,425</u>	<u>\$ 86,562,997</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (5,310,156)</u>	<u>\$ 86,557</u>	<u>\$ (6,811,044)</u>	<u>\$ (12,034,643)</u>
Other Financing Sources (Uses)				
Transfers In	\$ -	\$ -	\$ 3,592,893	\$ 3,592,893
Transfers Out	(5,152,628)	-	-	(5,152,628)
Issuance of Revenue Bond	11,219,625	-	-	11,219,625
Total Other Financing Sources (Uses)	<u>\$ 6,066,997</u>	<u>\$ -</u>	<u>\$ 3,592,893</u>	<u>\$ 9,659,890</u>
Net Change in Fund Balance	\$ 756,841	\$ 86,557	\$ (3,218,151)	\$ (2,374,753)
Fund Balance - Beginning	27,226,730	2,575,577	10,863,429	40,665,736
Fund Balance - Ending	<u>\$ 27,983,571</u>	<u>\$ 2,662,134</u>	<u>\$ 7,645,278</u>	<u>\$ 38,290,983</u>

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

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

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

Net changes in fund balance - total governmental funds \$ (2,374,753)

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

Detail of items supporting these adjustments is as follows:

Capital outlays	\$ 5,399,377	
Depreciation and amortization expenses	<u>(6,205,368)</u>	(805,991)

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

Disposal of assets		(27,009)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Decrease (Increase) in unavailable revenue - property taxes	\$ 24,851	
Decrease (Increase) in unavailable revenue - opioid settlement	85,430	
Decrease (Increase) in unavailable revenue - loans	<u>(23,248)</u>	87,033

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

Debt issued or incurred:		
Lease revenue notes	\$ (10,750,000)	
Premium on issuance	(469,625)	
Principal repayments:		
General obligation bonds	2,470,000	
Literary loans	481,706	
Lease liabilities	91,478	
Subscription liabilities	22,806	
Lease revenue notes	756,075	
Decrease (increase) in estimated liability:		
Landfill post-closure monitoring costs	<u>(7,018)</u>	(7,404,578)

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

Changes in OPEB related items	\$ 127,663	
Changes in pension related items	124,139	
(Increase) Decrease in compensated absences	(233,673)	
(Increase) Decrease in accrued interest payable	15,397	
Increase (Decrease) in deferred charge on refunding	(34,339)	
Amortization of bond premiums and discounts	<u>76,021</u>	75,208

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

(3,411,565)

Change in net position of governmental activities	\$	<u>(13,861,655)</u>
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The notes to the financial statements are an integral part of this statement.

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

	Health Insurance Premiums Fund	Information Technology, Garage, and Communication Service Fund	Total Internal Service Funds
ASSETS			
Current Assets:			
Receivables (Net of Allowance for Uncollectibles):			
Accounts Receivable	\$ -	\$ 155,543	\$ 155,543
Prepaid Items	-	115,141	115,141
Due from Component Units	-	128,635	128,635
Total Assets	<u>\$ -</u>	<u>\$ 399,319</u>	<u>\$ 399,319</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 35,617	\$ 36,726	\$ 72,343
Accrued Wages	-	68,923	68,923
Due to Primary Government	257,217	-	257,217
IBNR Payable	465,850	-	465,850
Total Liabilities	<u>\$ 758,684</u>	<u>\$ 105,649</u>	<u>\$ 864,333</u>
NET POSITION			
Unrestricted (deficit)	\$ (758,684)	\$ 293,670	\$ (465,014)
Total Net Position	<u>\$ (758,684)</u>	<u>\$ 293,670</u>	<u>\$ (465,014)</u>

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

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

	Health Insurance Premiums Fund	Information Technology, Garage, and Communication Service Fund	Total Internal Service Funds
OPERATING REVENUES			
Charges for Services:			
Information Technology Charges	\$ -	\$ 542,884	\$ 542,884
Garage Charges	-	1,869,751	1,869,751
Communication Charges	-	132,485	132,485
Other Revenues:			
Insurance Premiums	10,324,282	-	10,324,282
Total Operating Revenues	<u>\$ 10,324,282</u>	<u>\$ 2,545,120</u>	<u>\$ 12,869,402</u>
OPERATING EXPENSES			
Information Technology	\$ -	\$ 1,172,474	\$ 1,172,474
Central Garage	-	2,768,763	2,768,763
Communications	-	139,507	139,507
Insurance Claims and Expenses	13,759,958	-	13,759,958
Total Operating Expenses	<u>\$ 13,759,958</u>	<u>\$ 4,080,744</u>	<u>\$ 17,840,702</u>
Operating Income (Loss)	<u>\$ (3,435,676)</u>	<u>\$ (1,535,624)</u>	<u>\$ (4,971,300)</u>
Transfer In	<u>\$ -</u>	<u>\$ 1,559,735</u>	<u>\$ 1,559,735</u>
Change in Net Position	<u>\$ (3,435,676)</u>	<u>\$ 24,111</u>	<u>\$ (3,411,565)</u>
Net Position - Beginning	2,676,992	269,559	2,946,551
Net Position - Ending	<u>\$ (758,684)</u>	<u>\$ 293,670</u>	<u>\$ (465,014)</u>

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

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

	Health Insurance Premiums Fund	Information Technology, Garage, and Communication Service Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Charges to County Department and other organizations	\$ -	\$ 2,505,449	\$ 2,505,449
Payments to suppliers for goods and services	-	(4,065,184)	(4,065,184)
Receipts for insurance premiums	10,324,282	-	10,324,282
Payments for insurance premiums	(13,530,341)	-	(13,530,341)
Total cash provided by (used for) operating activities	<u>\$ (3,206,059)</u>	<u>\$ (1,559,735)</u>	<u>\$ (4,765,794)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	\$ -	\$ 1,559,735	\$ 1,559,735
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ (3,206,059)</u>	<u>\$ -</u>	<u>\$ (3,206,059)</u>
Cash and Cash Equivalents - Beginning	\$ 3,206,059	\$ -	\$ 3,206,059
Cash and Cash Equivalents - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ (3,435,676)	\$ (1,535,624)	\$ (4,971,300)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
(Increase) Decrease in Accounts Receivable	\$ -	\$ (38,239)	\$ (38,239)
(Increase) Decrease in Prepaid Items	-	(9,405)	(9,405)
(Increase) Decrease in Due from Component Units	-	(1,432)	(1,432)
Increase (Decrease) in Accounts Payable	(5,357)	5,682	325
Increase (Decrease) in Accrued Wages	-	19,969	19,969
Increase (Decrease) in IBNR Payable	(22,243)	-	(22,243)
Increase (Decrease) in Due to Primary Government	257,217	(686)	256,531
Total Adjustments	<u>\$ 229,617</u>	<u>\$ (24,111)</u>	<u>\$ 205,506</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ (3,206,059)</u>	<u>\$ (1,559,735)</u>	<u>\$ (4,765,794)</u>

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

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

	<u>Custodial Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ <u>268,607</u>
 NET POSITION	
Restricted:	
Special Welfare	\$ 32,282
Performance Bond	135,601
Employee Flexible Benefits	<u>100,724</u>
Total net position	<u>\$ 268,607</u>

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

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

	Custodial Funds
ADDITIONS	
Contributions:	
Expenditure reimbursement	\$ 15,671
Support enforcements	7,384
Benefits reimbursements	50,023
Total contributions	\$ 73,078
Total additions	\$ 73,078
 DEDUCTIONS	
Special welfare payments	\$ 22,556
Flexible benefits	45,834
Total deductions	\$ 68,390
Net increase (decrease) in fiduciary net position	\$ 4,688
Net position, beginning	263,919
Net position, ending	\$ 268,607

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements
June 30, 2025

Note 1-Summary of Significant Accounting Policies:

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

A. Financial Reporting Entity:

County of Pulaski, Virginia is a political subdivision governed by an elected five-member Board of Supervisors. The accompanying financial statements present the government and its component units, entities, for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County's operations.

Blended Component Units - None

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

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

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

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

The Pulaski County Sports & Entertainment Authority was established to acquire, expand, lease, operate, and maintain recreational, event and entertainment facilities within the County of Pulaski, to develop, foster, and host sports, events, and entertainment activities. The Authority is fiscally dependent upon the County. In addition, the County Board of Supervisors appointments the Board of Directors. The Authority does not issue a separate report.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

A. Financial Reporting Entity: (continued)

The County along with the Counties of Carroll, Bland, Floyd, Giles, Grayson, and Wythe and the City of Radford participate in supporting the New River Valley Regional Jail Authority. The monthly payment made by the County to the Regional Jail is based on the number of prisoners housed for the County. For the year ended June 30, 2025, the County paid \$2,185,715 for the confinement of prisoners.

The County and the Counties of Montgomery, Giles, Floyd, and the City of Radford participate in supporting New River Valley Community Services (NRVCS). The governing body of this organization is appointed by the respective governing bodies of the participating jurisdictions. The County contributed \$128,700 to NRVCS for the current year.

The County along with Counties in the surrounding area participate in supporting the New River Valley Juvenile Detention Home (NRVJDH). The County contributed \$231,210 to the NRVJDH for the current year.

B. Government-wide and Fund Financial Statements:

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

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

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

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

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

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

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

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

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

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

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

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

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

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

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

The County reports the following major governmental funds:

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

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

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

Additionally, the County reports the following fund types:

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

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

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

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

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

The Pulaski County School Board reports the following major funds:

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

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

1. Cash and Cash Equivalents

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

Restricted cash consists of unspent bond proceeds.

2. Investments

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

3. Receivables and Payables

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

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

4. Property Taxes

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

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

5. Allowance for Uncollectible Amounts

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$4,841,649 at June 30, 2025 and is comprised of \$923,984 in real estate taxes delinquent for 20 years and personal property taxes delinquent for 5 years and \$3,917,665 for unpaid ambulance services.

6. Use of Estimates

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

7. Prepaid Items

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

8. Capital Assets

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

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

8. Capital Assets (Continued)

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

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

9. Deferred Outflows/Inflows of Resources

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

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

10. Compensated Absences

The County recognized a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as a time off or settled (for example paid in cash to the employee) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences - vacation and sick leave. County employees earn vacation and sick leave at various rates. No benefit or pay is received for unused sick leave upon termination. Accumulated vacation is paid upon termination.

11. Pensions

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

12. Other Postemployment Benefits (OPEB)

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

13. Long-Term Obligations

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

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

14. Fund Balance

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

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

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

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

15. Net Position

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

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

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

16. Leases and Subscription-Based IT Arrangements

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

Lessor

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

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

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

Lessee

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

Subscriptions

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

Key Estimates and Judgments

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

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 2-Stewardship, Compliance, and Accountability:

A. Budgetary Information:

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

1. Prior to April 1st, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them. All non-fiduciary funds have legally adopted budgets.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the functional level. Only the Board of Supervisors can revise the appropriation for each department or category. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's subcategories.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds, and the General Capital Projects Fund, as applicable. The School Fund and School Capital Projects Fund are integrated only at the level of legal adoption.
6. All budgets are adopted on a modified accrual basis.
7. Appropriations lapse on June 30, for all County units. The County's practice is to appropriate Capital Projects by Project. Several supplemental appropriations were necessary during this fiscal year.
8. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances (those for which performance under executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

B. Excess of Expenditures Over Appropriations:

No funds had expenditures exceed appropriations.

C. Deficit Fund Balance:

At June 30, 2025, the Health Insurance Premiums Fund had a deficit fund balance.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 3-Deposits and Investments:

Deposits:

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

Investments:

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

Interest Rate Risk:

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

Investment Maturities (in years)		
Investment Type	Fair Value	< 1 Year
LGIP	\$ 133,512	\$ 133,512
SNAP	1,842,816	1,842,816
VML/VACo Investment Pool	3,609,111	3,609,111
Total	\$ 5,585,439	\$ 5,585,439

Custodial Credit Risk (Investments):

The County’s rated debt investments as of June 30, 2025 were rated by Standard & Poor’s and/or an equivalent national rating organization and the ratings are presented below using the Standard & Poor’s rating scale.

County's Rated Debt Investments' Values	
Rated Debt Investments	Ratings
	AAAm
LGIP	\$ 133,512
SNAP	1,842,816
VML/VACo Investment Pool	3,609,111
Total	\$ 5,585,439

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 3-Deposits and Investments: (continued)

External Investment Pools

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

Redemption Restrictions

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

Note 4-Due From Other Governmental Units:

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

	Primary Government	Component Unit- School Board
Local governments:		
City of Radford	\$ 41,438	\$ -
Town of Pulaski	93,775	-
Commonwealth of Virginia:		
State sales tax	828,478	874,879
Communication sales tax	85,297	-
Other taxes	46,991	-
Categorical aid-shared expenses	362,762	-
Categorical aid-other	79,965	-
Categorical aid-VPA funds	199,200	-
Categorical aid-CSA funds	563,751	-
Federal Government:		
Categorical aid-VPA funds	303,779	-
Categorical aid-other	63,607	1,683,135
Totals	\$ 2,669,043	\$ 2,558,014

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 5-Interfund Balances and Transfers:

Fund/Unit	Due from	Due to
Primary Government internal balances:		
General Fund	\$ 316,444	\$ 172,411
County CIP Fund	-	181,228
School CIP Fund	294,412	-
Health Insurance Fund	-	257,217
Subtotal Primary Government internal balances	\$ 610,856	\$ 610,856
Primary Government and Component Units balances:		
Primary Government	\$ 350,236	\$ 2,318,950
School Operating Fund	2,318,950	128,635
Economic Development Authority	-	214,298
Sports Tourism & Entertainment Authority	-	7,303
Total	\$ 3,280,042	\$ 3,280,042
	Transfers in	Transfers out
Primary Government:		
General Fund	\$ -	\$ 5,152,628
County CIP Fund	3,592,893	350,883
Information Technology, Garage, and Communication Service Fund	1,559,735	-
Component Units:		
Sports Tourism & Entertainment Authority	350,883	-
Total	\$ 5,503,511	\$ 5,503,511
Component Unit - School Board:		
School Operating Fund	\$ -	\$ 536,667
School Activity Fund	536,667	-
Total	\$ 536,667	\$ 536,667

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 6-Long-Term Obligations:

Primary Government- Governmental Activities Indebtedness:

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

	<u>Beginning Balance, as restated</u>	<u>Increases/ Issuances</u>	<u>Decreases/ Retirements</u>	<u>Ending Balance</u>
Direct Borrowings and Placements:				
General obligation bonds	\$ 2,810,000	\$ -	\$ 425,000	\$ 2,385,000
Literary loans	1,469,153	-	481,706	987,447
Lease revenue notes	4,092,409	10,750,000	756,075	14,086,334
Unamortized bond premiums	80,783	469,625	19,444	530,964
General obligation bonds	35,735,000	-	2,045,000	33,690,000
Unamortized bond premiums	142,608	-	85,363	57,245
Unamortized bond discounts	(311,628)	-	(28,786)	(282,842)
Lease liabilities	261,308	-	91,478	169,830
Subscription liabilities	60,909	-	22,806	38,103
Landfill post-closure monitoring costs	318,979	7,018	-	325,997
Net OPEB liabilities	1,819,009	675,995	782,732	1,712,272
Net pension liability	2,634,184	9,267,590	7,849,104	4,052,670
Compensated absences*	4,666,075	233,673	-	4,899,748
Total	\$ 53,778,789	\$ 21,403,901	\$ 12,529,922	\$ 62,652,768

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 6-Long-Term Obligations: (continued)

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

Year Ending June 30,	Direct Borrowings and Placements		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2026	\$ 2,075,415	\$ 689,778	\$ 2,145,000	\$ 1,043,768
2027	2,107,396	663,761	2,220,000	968,693
2028	1,644,037	587,507	2,290,000	902,093
2029	1,376,529	522,979	2,355,000	833,393
2030	1,009,931	469,962	2,430,000	762,744
2031-2035	2,580,473	1,920,809	13,270,000	2,676,569
2036-2040	2,930,000	1,256,000	8,980,000	586,250
2041-2045	3,735,000	442,326	-	-
Totals	\$ 17,458,781	\$ 6,553,122	\$ 33,690,000	\$ 7,773,510

Year Ending June 30,	Lease Liabilities		Subscription Liabilities	
	Principal	Interest	Principal	Interest
2026	\$ 75,648	\$ 7,381	\$ 23,609	\$ 997
2027	68,649	3,679	14,494	507
2028	18,543	1,371	-	-
2029	6,990	289	-	-
Totals	\$ 169,830	\$ 12,720	\$ 38,103	\$ 1,504

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 6-Long-Term Obligations: (continued)

Details of long-term obligations:

	Interest Rates	Issue Date	Final Maturity Date	Amount of Original Issue	Balance Governmental Activities	Amount Due Within One Year
Direct Borrowings and Placements:						
General obligation bonds (B):						
GO bond	3.175-4.05%	1/13/2010	2030	\$ 7,465,000	\$ 2,385,000	\$ 440,000
Unamortized bond premium	n/a	1/13/2010	2030	40,136	9,028	2,007
Total general obligation bonds					<u>\$ 2,394,028</u>	<u>\$ 442,007</u>
Literary loans:						
Literary loan	2.00%	5/2/2016	2027	\$ 4,987,173	\$ 987,447	\$ 488,341
Lease revenue notes:						
School lease revenue note	5.10%	5/15/2008	2029	\$ 5,255,000	\$ 1,520,000	\$ 350,000
Lease revenue note (A)	2.47-3.25%	12/6/2013	2027	321,054	59,540	29,403
Lease revenue note (A)	2.37%	6/15/2016	2028	3,443,000	954,600	310,700
Landfill sewer line revenue note	3.30%	3/5/2014	2034	1,842,628	802,194	91,971
Lease revenue note	4.50-5.00%	6/4/2025	2045	10,750,000	10,750,000	365,000
Subtotal lease revenue notes					<u>\$ 14,086,334</u>	<u>\$ 1,147,074</u>
Unamortized bond premium	n/a	5/15/2008	2029	348,754	52,311	17,437
Unamortized bond premium	n/a	6/4/2025	2045	469,625	469,625	63,816
Total lease revenue notes					<u>\$ 14,608,270</u>	<u>\$ 1,228,327</u>
Total Direct Borrowings and Placements					<u>\$ 17,989,745</u>	<u>\$ 2,158,675</u>
General obligation bonds (B):						
GO bond	3.00-5.00%	3/1/2018	2038	\$ 46,240,000	\$ 33,690,000	\$ 2,145,000
Unamortized bond premium	n/a	3/1/2018	2029	1,739,614	57,245	34,790
Unamortized bond discount	n/a	3/1/2018	2038	(484,342)	(282,842)	(28,785)
Total general obligation bonds					<u>\$ 33,464,403</u>	<u>\$ 2,151,005</u>
Lease Liabilities:						
Vehicle 1	6.97%	9/1/2020	2025	\$ 28,271	\$ 1,103	\$ 1,103
Vehicle 2	7.10%	4/1/2021	2026	25,635	4,421	4,421
Vehicle 3	10.75%	2/1/2022	2027	26,513	9,884	6,046
Vehicle 4	8.13%	1/1/2022	2026	31,019	10,585	6,913
Vehicle 5	10.90%	3/6/2024	2029	42,357	32,904	7,718
Building 1	3.00%	9/1/2021	2028	274,350	110,933	49,447
Total lease liabilities					<u>\$ 169,830</u>	<u>\$ 75,648</u>
Subscription Liabilities:						
Rave Mobile Safety	3.50%	7/1/2022	2026	\$ 36,595	\$ 9,606	\$ 9,606
King Moore	3.50%	12/1/2022	2027	70,101	28,497	14,003
Total subscription liabilities					<u>\$ 38,103</u>	<u>\$ 23,609</u>
Other obligations:						
Landfill post-closure monitoring cost	n/a	n/a	n/a	n/a	\$ 325,997	\$ -
Net OPEB liabilities	n/a	n/a	n/a	n/a	1,712,272	-
Net pension liability	n/a	n/a	n/a	n/a	4,052,670	-
Compensated absences	n/a	n/a	n/a	n/a	4,899,748	3,674,811
Total other obligations					<u>\$ 10,990,687</u>	<u>\$ 3,674,811</u>
Totals					<u>\$ 62,652,768</u>	<u>\$ 8,083,748</u>

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

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

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

	<u>Beginning Balance, as restated</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Net OPEB liabilities	\$ 8,553,586	\$ 1,618,609	\$ 3,100,357	\$ 7,071,838
Net pension liability (A)	26,835,639	10,938,569	13,983,961	23,790,247
Compensated absences (B)	6,299,088	2,465,806	-	8,764,894
Total	\$ 41,688,313	\$ 15,022,984	\$ 17,084,318	\$ 39,626,979

(A) Non-Instructional is a net pension asset as of June 30, 2025; therefore, ending balance is not reported above.

(B) The change in the compensated absences liability is presented as a net change.

Details of Long-Term Obligations:

	<u>Interest Rates</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Balance Governmental Activities</u>	<u>Amount Due Within One Year</u>
Other obligations:						
Net OPEB liabilities	n/a	n/a	n/a	n/a	\$ 7,071,838	\$ -
Net pension liability	n/a	n/a	n/a	n/a	23,790,247	-
Compensated absences	n/a	n/a	n/a	n/a	8,764,894	6,573,671
Total other obligations					\$ 39,626,979	\$ 6,573,671

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 8-Pension Plan:

Plan Description

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

Benefit Structures

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

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 - April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 8-Pension Plan: (continued)

Average Final Compensation and Service Retirement Multiplier

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

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

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

Contributions

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

The County of Pulaski and the PSA's contractually required employer contribution rate for the year ended June 30, 2025 was 10.98% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan were \$1,984,613 and \$1,385,866 for the County and \$285,123 and \$202,170 for the PSA for the years ended June 30, 2025 and June 30, 2024, respectively.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 8-Pension Plan: (continued)

Contributions (continued)

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$63,940 and \$13,510 for the County and PSA, respectively, for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$64,868 and \$10,177 for the County and PSA, respectively, for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$6,394,020 and \$1,350,995 for the County and PSA respectively, for the year ended June 30, 2025.

Net Pension Liability (Asset)

At June 30, 2025, the County and PSA reported a liability (asset) of \$4,052,670 and \$591,203, respectively, for their proportionate share of the net pension liability. The County and PSA's net pension liability (asset) was measured as of June 30, 2024. The total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. In order to allocate the net pension liability (asset) to all employers included in the plan, the County and PSA are required to determine their proportionate share of the net pension liability (asset). Creditable compensation as of June 30, 2024 and 2023 was used as a basis for allocation to determine the County's proportionate share of the net pension liability (asset). At June 30, 2024 and 2023, the County's proportion was 86.5672% and 85.4922%, respectively. At June 30, 2024 and 2023, the PSA's proportion was 12.6284% and 13.7081%, respectively.

Actuarial Assumptions - General Employees

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 8-Pension Plan: (continued)

Actuarial Assumptions - General Employees (Continued)

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 8-Pension Plan: (continued)

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

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

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 8-Pension Plan: (continued)

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

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 8-Pension Plan: (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)	Target Asset Allocation	Long-term Expected Rate of Return	Long-term Expected Rate of Return*
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	<u>100.00%</u>		<u>7.07%</u>
	Expected arithmetic nominal return**		<u>7.07%</u>

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 8-Pension Plan: (continued)

Discount Rate

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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County's proportionate share of the County Retirement Plan Net Pension Liability (Asset)	\$ 12,445,662	\$ 4,052,670	\$ (2,841,187)
PSA's proportionate share of the County Retirement Plan Net Pension Liability (Asset)	\$ 1,815,570	\$ 591,203	\$ (414,472)

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 8-Pension Plan: (continued)

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

For the year ended June 30, 2025, the County and PSA recognized pension expense of \$1,860,480 and \$264,678, respectively. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,628,296	\$ -	\$ 392,315	\$ -
Net difference between projected and actual earnings on pension plan investments	-	1,650,122	-	245,146
Changes in proportion and differences between employer contributions and proportionate share of contributions	26,221	-	-	25,645
Employer contributions subsequent to the measurement date	1,984,613	-	285,123	-
Total	\$ 4,639,130	\$ 1,650,122	\$ 677,438	\$ 270,791

\$1,984,613 and \$285,123 is reported as deferred outflows of resources related to pensions resulting from the County and PSA contributions subsequent to the measurement date, will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit Pulaski County PSA
2026	\$ 281,168	\$ 21,373
2027	1,388,089	206,250
2028	(313,935)	(54,906)
2029	(350,927)	(51,193)

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 8-Pension Plan: (continued)

Pension Plan Data

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

Component Unit School Board (Nonprofessional)

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

Employees Covered by Benefit Terms

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

	<u>Component Unit School Board (Nonprofessional)</u>
Inactive members or their beneficiaries currently receiving benefits	94
Inactive members:	
Vested inactive members	22
Non-vested members	89
Inactive members active elsewhere in VRS	40
Total inactive members	<u>151</u>
Active members	<u>88</u>
Total covered employees	<u><u>333</u></u>

Contributions

The Component Unit School Board's contractually required contribution rate for nonprofessional employees for the year ended June 30, 2025 was 5.87% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$186,159 and \$100,280 for the years ended June 30, 2025 and June 30, 2024, respectively.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 8-Pension Plan: (continued)

Component Unit School Board (Nonprofessional) (continued)

Contributions (continued)

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$17,111 for the School Board, respectively, for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$9,147 for the School Board, respectively, for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$1,711,066 for the School Board, respectively, for the year ended June 30, 2025.

Net Pension Liability (Asset)

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 8-Pension Plan: (continued)

Component Unit School Board (Nonprofessional) (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, 2023	\$ 12,980,762	\$ 13,387,578	\$ (406,816)
Changes for the year:			
Service cost	\$ 247,498	\$ -	\$ 247,498
Interest	868,454	-	868,454
Differences between expected and actual experience	559,613	-	559,613
Contributions - employer	-	99,877	(99,877)
Contributions - employee	-	132,655	(132,655)
Net investment income	-	1,282,101	(1,282,101)
Benefit payments, including refunds	(724,537)	(724,537)	-
Administrative expenses	-	(8,854)	8,854
Other changes	-	231	(231)
Net changes	\$ 951,028	\$ 781,473	\$ 169,555
Balances at June 30, 2024	\$ 13,931,790	\$ 14,169,051	\$ (237,261)

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 8-Pension Plan: (continued)

Component Unit School Board (Nonprofessional) (continued)

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Component Unit School Board (Nonprofessional)			
Net Pension Liability (Asset)	\$ 1,377,621	\$ (237,261)	\$ (1,580,880)

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

For the year ended June 30, 2025, the Component Unit School Board (nonprofessional) recognized pension expense of \$304,603. At June 30, 2025, the Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Component Unit School Board (Nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 236,137	\$ -
Net difference between projected and actual earnings on pension plan investments	-	379,788
Employer contributions subsequent to the measurement date	186,159	-
Total	\$ 422,296	\$ 379,788

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 8-Pension Plan: (continued)

Component Unit School Board (Nonprofessional) (continued)

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

\$186,159 reported as deferred outflows of resources related to pensions resulting from the Component Unit School Board's (nonprofessional) contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30	Component Unit School Board Nonprofessional
2026	\$ (102,630)
2027	109,636
2028	(71,590)
2029	(79,067)

Component Unit School Board (Professional)

Plan Description

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2025 was 14.21% of covered employee compensation. This was the General Assembly approved rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board were \$4,199,308 and \$4,274,549 for the years ended June 30, 2025 and June 30, 2024, respectively.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 8-Pension Plan: (continued)

Component Unit School Board (Professional) (continued)

Contributions (continued)

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$112,940 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$117,581 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$11,294,004 for the year ended June 30, 2025.

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

At June 30, 2025, the school division reported a liability of \$23,790,247 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2024, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division's proportion was 0.2534% as compared to 0.2655% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized pension expense of \$2,164,616. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 8-Pension Plan: (continued)

Component Unit School Board (Professional) (continued)

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

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

	Component Unit School Board (Professional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,127,272	\$ 489,858
Net difference between projected and actual earnings on pension plan investments	-	3,274,742
Change in assumptions	431,825	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,009,838	1,016,766
Employer contributions subsequent to the measurement date	4,199,308	-
Total	\$ 9,768,243	\$ 4,781,366

\$4,199,308 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30	Component Unit School Board Professional
2026	\$ (1,377,918)
2027	2,173,279
2028	442,647
2029	(450,439)

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 8-Pension Plan: (continued)

Component Unit School Board (Professional) (continued)

Actuarial Assumptions

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

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

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 8-Pension Plan: (continued)

Component Unit School Board (Professional) (continued)

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

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

Net Pension Liability

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

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

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 8-Pension Plan: (continued)

Component Unit School Board (Professional) (continued)

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$ 44,197,616	\$ 23,790,247	\$ 7,077,261

Pension Plan Fiduciary Net Position

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

Primary Government and Component Units

Aggregate Pension Information

	Primary Government				Component Unit Pulaski County PSA			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:								
Primary Government	\$ 4,639,130	\$ 1,650,122	\$ 4,052,670	\$ 1,860,480	\$ -	\$ -	\$ -	\$ -
Component Unit Pulaski County PSA	-	-	-	-	677,438	270,791	591,203	264,678
Totals	<u>\$ 4,639,130</u>	<u>\$ 1,650,122</u>	<u>\$ 4,052,670</u>	<u>\$ 1,860,480</u>	<u>\$ 677,438</u>	<u>\$ 270,791</u>	<u>\$ 591,203</u>	<u>\$ 264,678</u>
	Component Unit School Board							
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense				
VRS Pension Plans:								
School Board Nonprofessional	\$ 422,296	\$ 379,788	\$ (237,261)	\$ 304,603				
School Board Professional	9,768,243	4,781,366	23,790,247	2,164,616				
Totals	<u>\$ 10,190,539</u>	<u>\$ 5,161,154</u>	<u>\$ 23,552,986</u>	<u>\$ 2,469,219</u>				

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 9-Other Postemployment Benefits - Health Insurance:

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

Benefits Provided

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

Contributions

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County Board. The amount paid by the County, PSA and School Board for OPEB as the benefits came due during the year ended June 30, 2025 was \$57,688, \$6,151, and \$158,961, respectively.

Total OPEB Liability

At June 30, 2025, the County, PSA, and School Board reported a liability of \$995,000, \$106,100, and \$2,741,800 respectively, for its proportionate share of the total OPEB liability. The total OPEB liability was measured as of July 1, 2024. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. At June 30, 2024 and 2023, the County's proportion was 25.89% and 21.74%, respectively, the PSA's proportion was 2.76% and 2.39%, respectively, and the School Board's proportion was 71.35% and 75.87%, respectively.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

Actuarial Assumptions

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

Actuarial Cost Method	Entry Age Actuarial Cost Method
Discount Rate	4.09%
Healthcare Trend Rate	County and School: 7.00% for fiscal year end 2025, decreasing 0.25% per year to an ultimate rate of 5.00%
Salary Scale	2.50%

Mortality rates use PUB-2010 Amount-Weighted General Mortality Table - Employees with MP-2021 Projection Scale Fully Generational

The actuarial assumptions used in the July 1, 2024 valuation were based on July 1, 2024 valuation data. The methods, assumptions, and participant data used can be found in the July 1, 2024 actuarial valuation report.

Discount Rate

The discount rate has been set equal to 4.09% and represents the Municipal GO AA 20-year yield curve rate as of the measurement date.

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

The following amounts present the total OPEB liability of the County, PSA, and School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.09%) or one percentage point higher (5.09%) than the current discount rate:

	Rate		
	1% Decrease (3.09%)	Current Discount (4.09%)	1% Increase (5.09%)
Proportionate share of the healthcare total OPEB liability:			
County	\$ 1,085,984	\$ 995,000	\$ 911,757
Component Unit Pulaski County PSA	\$ 115,802	\$ 106,100	\$ 97,224
Component Unit School Board	\$ 2,992,514	\$ 2,741,800	\$ 2,512,419

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

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

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

	Rate		
	1% Decrease	Current Trend	1% Increase
Proportionate share of the healthcare total OPEB liability:			
County	\$ 887,083	\$ 995,000	\$ 1,120,809
Component Unit Pulaski County PSA	\$ 94,592	\$ 106,100	\$ 119,515
Component Unit School Board	\$ 2,444,425	\$ 2,741,800	\$ 3,088,476

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

For the year ended June 30, 2025, the County, PSA, and School Board recognized OPEB expense in the amount of \$13,900, (\$22,900) and \$100,600, respectively. At June 30, 2025, the County, PSA and School Board reported the following deferred outflows of resources and deferred inflows of resources related to OPEB:

	Primary Government		Component Unit Pulaski County PSA		Component Unit School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 107,800	\$ 359,900	\$ 400	\$ 67,700	\$ 233,500	\$ 1,184,000
Changes in assumptions	112,200	162,300	13,800	6,000	325,600	408,200
Employer contributions subsequent to the measurement date	57,688	-	6,151	-	158,961	-
Total	\$ 277,688	\$ 522,200	\$ 20,351	\$ 73,700	\$ 718,061	\$ 1,592,200

\$57,688, \$6,151, and \$158,961 were reported as deferred outflows of resources related to OPEB resulting from the County's, PSA's, and Component Unit School Board's, respectively, contributions subsequent to the measurement date and will be recognized as reduction of the Total OPEB liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized OPEB expense as follows:

Year Ended June 30	Primary Government	Component Unit Pulaski County PSA	Component Unit School Board
2026	\$ (92,900)	\$ (23,600)	\$ (214,400)
2027	(86,600)	(16,600)	(219,100)
2028	(52,200)	(6,800)	(212,900)
2029	(38,700)	(6,900)	(199,200)
2030	(31,800)	(5,600)	(187,500)

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

Plan Description

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

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

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

Eligible Employees

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

Benefit Amounts

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

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% x 60%) and the employer component was 0.47% (1.18% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

Contributions (continued)

Each employer's contractually required employer contribution rate for the year ended June 30, 2025, was 0.47% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability.

Contributions to the Group Life Insurance Plan from the County were \$84,771 and \$89,107 for the years ended June 30, 2025 and June 30, 2024, respectively.

Contributions to the Group Life Insurance Plan from the Component Unit Pulaski County PSA were \$12,205 and \$13,002 for the years ended June 30, 2025 and June 30, 2024, respectively.

Contributions to the Group Life Insurance Plan from the Component Unit-School Board (Nonprofessional) were \$14,970 and \$16,157 for the years ended June 30, 2025 and June 30, 2024, respectively.

Contributions to the Group Life Insurance Plan from the Component Unit-School Board (Professional) were \$138,548 and \$146,666 for the years ended June 30, 2025 and June 30, 2024, respectively.

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

At June 30, 2025, the County reported a liability of \$717,272 for its proportionate share of the Net GLI OPEB Liability.

At June 30, 2025, the Component Unit Pulaski County PSA reported a liability of \$104,635 for its proportionate share of the Net GLI OPEB Liability.

At June 30, 2025, the Component Unit-School Board (Nonprofessional) reported a liability of \$130,005 for its proportionate share of the Net GLI OPEB Liability.

At June 30, 2025, the Component Unit-School Board (Professional) reported a liability of \$1,180,422 for its proportionate share of the Net GLI OPEB Liability.

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

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

At June 30, 2024, the County's proportion was 0.06428% as compared to 0.06284% at June 30, 2023.

At June 30, 2024, the Component Unit Pulaski County PSA's proportion was 0.00938% as compared to 0.01008% at June 30, 2023.

At June 30, 2024, the Component Unit-School Board (Nonprofessional) proportion was 0.01165% as compared to 0.01197% at June 30, 2023.

At June 30, 2024, the Component Unit-School Board (Professional) proportion was 0.10578% as compared to 0.11251% at June 30, 2023.

For the year ended June 30, 2025, the County recognized GLI OPEB expense of \$39,973. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

For the year ended June 30, 2025, the Component Unit Pulaski County PSA recognized GLI OPEB expense of \$5,831. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

For the year ended June 30, 2025, the Component-Unit School Board (Nonprofessional) recognized GLI OPEB expense of \$2,409. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

For the year ended June 30, 2025, the Component-Unit School Board (Professional) recognized GLI OPEB expense of \$5,758. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

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

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

	Primary Government		Component Unit Pulaski County PSA		Component Unit School Board (Nonprofessional)		Component Unit School Board (Professional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 113,130	\$ 17,520	\$ 16,503	\$ 2,556	\$ 20,505	\$ 3,176	\$ 186,180	\$ 28,834
Change in assumptions	4,089	35,547	596	5,185	741	6,443	6,728	58,499
Net difference between projected and actual earnings on GLI OPEB plan investments	-	60,458	-	8,820	-	10,958	-	99,497
Changes in proportionate share	55,962	530	8,164	77	6,463	6,177	53,421	86,759
Employer contributions subsequent to the measurement date	84,771	-	12,205	-	14,970	-	138,548	-
Total	\$ 257,952	\$ 114,055	\$ 37,468	\$ 16,638	\$ 42,679	\$ 26,754	\$ 384,877	\$ 273,589

\$84,771, \$12,205, \$14,970, and \$138,548 reported as deferred outflows of resources related to the GLI OPEB resulting from the County's, Component Unit Pulaski County PSA's, Component-Unit School Board (Nonprofessional)'s, and Component-Unit School Board (Professional)'s, respectively, contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit Pulaski County PSA	Component Unit-	
			School Board (Non- professional)	School Board (Professional)
2026	\$ (10,476)	\$ (1,528)	\$ (6,290)	\$ (65,053)
2027	31,389	4,579	2,551	20,551
2028	15,658	2,284	1,506	2,956
2029	10,237	1,493	1,750	8,132
2030	12,318	1,797	1,438	6,154

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

Actuarial Assumptions

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

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

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

Actuarial Assumptions (Continued)

Mortality Rates - Teachers (Continued)

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

Actuarial Assumptions (Continued)

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

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

Actuarial Assumptions (Continued)

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

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

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

NET GLI OPEB Liability

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

	GLI OPEB	
		Plan
		<hr/>
Total GLI OPEB Liability	\$	4,196,055
Plan Fiduciary Net Position		3,080,133
GLI Net OPEB Liability (Asset)	\$	<hr/> <u>1,115,922</u>

Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	73.41%
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The total GLI OPEB liability is calculated by the System’s actuary, and each plan’s fiduciary net position is reported in the System’s financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System’s notes to the financial statements and required supplementary information.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

Long-Term Expected Rate of Return

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

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

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

Discount Rate

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

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

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

Proportionate share of the GLI Plan Net OPEB Liability:	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County	\$ 1,115,450	\$ 717,272	\$ 395,596
Component Unit Pulaski County PSA	\$ 162,722	\$ 104,635	\$ 57,709
Component Unit-School Board (Nonprofessional)	\$ 202,175	\$ 130,005	\$ 71,701
Component Unit-School Board (Professional)	\$ 1,835,710	\$ 1,180,422	\$ 651,036

GLI Plan Fiduciary Net Position

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2025 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$356,687 and \$328,641 for the years ended June 30, 2025 and June 30, 2024, respectively.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

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

At June 30, 2025, the school division reported a liability of \$2,929,683 for its proportionate share of the VRS Teacher Employee HIC Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2024 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC Program OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division's proportion of the VRS Teacher Employee HIC Plan was 0.25351% as compared to 0.26579% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized VRS Teacher Employee HIC OPEB expense of \$179,679. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 138,801
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	10,421
Change in assumptions	50,470	-
Change in proportionate share and differences between actual and expected contributions	151,685	206,935
Employer contributions subsequent to the measurement date	356,687	-
Total	\$ 558,842	\$ 356,157

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

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

\$356,687 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2026	\$ (54,660)
2027	(29,168)
2028	(20,064)
2029	(14,335)
2030	(12,262)
Thereafter	(23,513)

Actuarial Assumptions

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

Actuarial Assumptions

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee HIC Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2024, 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	\$ 1,478,105
Plan Fiduciary Net Position	<u>322,457</u>
Teacher Employee net HIC OPEB Liability (Asset)	<u>\$ 1,155,648</u>
 Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability	 21.82%

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 11-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	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	<u>100.00%</u>		<u>7.07%</u>
		Expected arithmetic nominal return**	<u>7.07%</u>

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

Discount Rate

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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 3,331,781	\$ 2,929,683	\$ 2,588,869

Teacher Employee HIC OPEB Fiduciary Net Position

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

Employees Covered by Benefit Terms

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>19</u>
Inactive members:	
Vested inactive members	2
Inactive members active elsewhere in VRS	36
Total inactive members	<u>38</u>
Active members	<u>88</u>
Total covered employees	<u><u>145</u></u>

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The Component Unit School Board's contractually required employer contribution rate for the year ended June 30, 2025 was 1.01% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Component Unit School Board to the HIC Plan were \$32,031 and \$30,055 for the years ended June 30, 2025 and June 30, 2024, respectively.

Net HIC OPEB Liability

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

Actuarial Assumptions

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

Actuarial Assumptions (continued)

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

Actuarial Assumptions (continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
 Total	 <u>100.00%</u>		 <u>7.07%</u>
	Expected arithmetic nominal return**		<u>7.07%</u>

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

Discount Rate

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

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 178,273	\$ 55,019	\$ 123,254
Changes for the year:			
Service cost	\$ 2,222	\$ -	\$ 2,222
Interest	11,899	-	11,899
Differences between expected and actual experience	(10,863)	-	(10,863)
Contributions - employer	-	30,055	(30,055)
Net investment income	-	6,628	(6,628)
Benefit payments	(8,435)	(8,435)	-
Administrative expenses	-	(99)	99
Net changes	\$ (5,177)	\$ 28,149	\$ (33,326)
Balances at June 30, 2024	\$ 173,096	\$ 83,168	\$ 89,928

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Component Unit School Board's Net HIC OPEB Liability	\$ 108,761	\$ 89,928	\$ 73,986

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

For the year ended June 30, 2025, the Component Unit School Board recognized HIC Plan OPEB expense of (\$22,027). At June 30, 2025, the Component Unit School Board reported deferred outflows of resources and deferred inflows of resources related to the Component Unit School Board's HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 78,595
Net difference between projected and actual earnings on HIC OPEB plan investments	-	1,238
Change in assumptions	7,997	-
Employer contributions subsequent to the measurement date	32,031	-
Total	\$ <u>40,028</u>	\$ <u>79,833</u>

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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)

\$32,031 reported as deferred outflows of resources related to the HIC OPEB resulting from the Component Unit School Board’s contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ended June 30

2026	\$ (32,728)
2027	(33,791)
2028	(4,881)
2029	(436)

HIC Plan Data

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

Note 13-Aggregate OPEB Information:

	Primary Government				Component Unit Pulaski County PSA			
	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense
VRS Group Life Insurance Plan	\$ 257,952	\$ 114,055	\$ 717,272	\$ 39,973	\$ 37,468	\$ 16,638	\$ 104,635	\$ 5,831
County Stand-Alone Plan	277,688	522,200	995,000	13,900	20,351	73,700	106,100	(22,900)
Totals	<u>\$ 535,640</u>	<u>\$ 636,255</u>	<u>\$ 1,712,272</u>	<u>\$ 53,873</u>	<u>\$ 57,819</u>	<u>\$ 90,338</u>	<u>\$ 210,735</u>	<u>\$ (17,069)</u>
	Component Unit School Board							
	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense				
VRS OPEB Plans:								
Group Life Insurance Plan:								
School Board Nonprofessional	\$ 42,679	\$ 26,754	\$ 130,005	\$ 2,409				
School Board Professional	384,877	273,589	1,180,422	5,758				
County Health Insurance Credit Plan	40,028	79,833	89,928	(22,027)				
Teacher Health Insurance Credit Plan	558,842	356,157	2,929,683	179,679				
County Stand-Alone Plan	718,061	1,592,200	2,741,800	100,600				
Totals	<u>\$ 1,744,487</u>	<u>\$ 2,328,533</u>	<u>\$ 7,071,838</u>	<u>\$ 266,419</u>				

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 14-Lease Receivable:

The following is a summary of leases receivable transactions of the County for the year ended June 30, 2025:

	Beginning Balance	Increases/ Issuances	Decreases/ Retirements	Ending Balance
Lease receivable	\$ 134,585	\$ -	\$ (33,621)	\$ 100,964

Lease revenue totaled \$34,740 during fiscal year 2025 and lease related interest totaled \$1,794. There are no variable payments for leases receivable.

Details of leases receivable:

Lease Description	Original Issuance Date	End Date	Payment Frequency	Discount Rate	Ending Balance	Amount Due Within One Year
Building lease	4/14/2023	2028	Monthly	1.50%	\$ 100,964	\$ 34,664

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 15-Capital Assets:

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Primary Government:				
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 10,722,639	\$ -	\$ -	\$ 10,722,639
Construction in progress	4,929,847	3,864,526	(6,784,581)	2,009,792
Total capital assets not being depreciated	<u>\$ 15,652,486</u>	<u>\$ 3,864,526</u>	<u>\$ (6,784,581)</u>	<u>\$ 12,732,431</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 122,796,602	\$ 6,905,950	\$ -	\$ 129,702,552
Lease buildings and improvements	211,559	-	(105,540)	106,019
Machinery and equipment	22,109,328	1,386,473	(55,441)	23,440,360
Lease machinery and equipment	316,707	-	-	316,707
Subscription asset	106,696	-	-	106,696
Total capital assets, being depreciated	<u>\$ 145,540,892</u>	<u>\$ 8,292,423</u>	<u>\$ (160,981)</u>	<u>\$ 153,672,334</u>
Accumulated depreciation:				
Buildings and improvements	\$ (29,179,249)	\$ (4,622,025)	\$ -	\$ (33,801,274)
Lease buildings and improvements	(153,627)	(35,340)	105,540	(83,427)
Machinery and equipment	(16,989,791)	(1,470,637)	55,441	(18,404,987)
Lease machinery and equipment	(132,100)	(54,197)	-	(186,297)
Subscription asset	(40,461)	(23,169)	-	(63,630)
Total accumulated depreciation	<u>\$ (46,495,228)</u>	<u>\$ (6,205,368)</u>	<u>\$ 160,981</u>	<u>\$ (52,539,615)</u>
Total capital assets being depreciated, net	<u>\$ 99,045,664</u>	<u>\$ 2,087,055</u>	<u>\$ -</u>	<u>\$ 101,132,719</u>
Governmental activities capital assets, net	<u>\$ 114,698,150</u>	<u>\$ 5,951,581</u>	<u>\$ (6,784,581)</u>	<u>\$ 113,865,150</u>

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 15-Capital Assets: (continued)

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

Governmental activities:	
General government administration	\$ 2,191,137
Judicial administration	8,416
Public safety	1,122,275
Public works	380,946
Health and welfare	16,272
Education	2,089,162
Parks, recreation and cultural	371,058
Community development	26,102
Total depreciation/amortization expense-governmental activities	\$ <u>6,205,368</u>

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Component Unit:				
School Board:				
Capital assets, not being depreciated:				
Land	\$ 730,306	\$ -	\$ -	\$ 730,306
Construction in progress	5,113,289	2,080,213	(5,550,863)	1,642,639
Total capital assets not being depreciated	\$ <u>5,843,595</u>	\$ <u>2,080,213</u>	\$ <u>(5,550,863)</u>	\$ <u>2,372,945</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 25,700,967	\$ 5,856,013	\$ (24,585)	\$ 31,532,395
Machinery and equipment	23,343,492	1,815,470	(189,833)	24,969,129
Total capital assets, being depreciated	\$ <u>49,044,459</u>	\$ <u>7,671,483</u>	\$ <u>(214,418)</u>	\$ <u>56,501,524</u>
Accumulated depreciation:				
Buildings and improvements	\$ (14,943,499)	\$ (1,091,499)	\$ 24,583	\$ (16,010,415)
Machinery and equipment	(16,397,241)	(1,019,330)	169,377	(17,247,194)
Total accumulated depreciation	\$ <u>(31,340,740)</u>	\$ <u>(2,110,829)</u>	\$ <u>193,960</u>	\$ <u>(33,257,609)</u>
Total capital assets being depreciated, net	\$ <u>17,703,719</u>	\$ <u>5,560,654</u>	\$ <u>(20,458)</u>	\$ <u>23,243,915</u>
Governmental activities capital assets, net	\$ <u>23,547,314</u>	\$ <u>7,640,867</u>	\$ <u>(5,571,321)</u>	\$ <u>25,616,860</u>

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 16-Risk Management:

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

Self-Insurance - The County established a limited risk management program for health insurance in fiscal year 2010. Premiums are paid into the health plan fund from the County and are available to pay claims, and administrative costs of the program. During the fiscal year 2025, a total of \$13,759,958 was paid by the County in benefits and administrative costs. The risk assumed by the County is based on the number of participants in the program. The risk varies by the number of participants and their specific plan type (Keycare, Bluecare, etc.). Incurred but not reported claims of \$465,850 have been accrued as a liability based primarily on actual cost incurred prior to June 30 but paid after year-end. Liabilities are determined using a combination of actual claims experience and actuarially determined amounts and include incremental claim adjustment expenses and estimated recoveries. An independent contractor processes claims and the County records a provision and liability in the government-wide statements and General Fund (current portion only) for an estimate of incurred but not reported claims.

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

<u>Fiscal Year</u>	<u>Balance at Beginning of Fiscal Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at End of Fiscal Year</u>
2024-25	\$ 488,093	\$ 13,737,715	\$ (13,759,958)	\$ 465,850
2023-24	819,173	10,971,517	(11,302,597)	488,093
2022-23	252,313	10,820,116	(10,253,256)	819,173

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 17-Contingent Liabilities:

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

Note 18-Surety Bonds:

Primary Government:

Fidelity and Deposit Company of Maryland-Surety

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

VaCo Risk Management Programs

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

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

VaCo Risk Management Programs

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

Notes to Financial Statements (Continued)
June 30, 2025

Note 19-Landfill Liability:

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County closed its landfill at Cloyd’s Mountain in 1989 and is awaiting final postclosure care termination from DEQ. At June 30, 2025, the total post-closure care liability was \$325,997 representing what it would cost to perform all post-closure care in fiscal year 2025. Actual costs for both post-closure monitoring may change due to inflation, deflation, changes in technology, or changes in regulations. The County demonstrated financial assurance requirements for closure, post-closure care through the submission of a Local Government Financial Test to the Virginia Department of environmental Quality in accordance with section 9VA C20-70 of the Virginia Administrative Code.

Note 20-Unearned and Unavailable/Deferred Revenue:

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

Unearned Revenue - Primary Government:

Unearned Grants - Grant revenue collected by the County and Component Unit School Board for various purposes that has not met the revenue criteria totaled \$87,381 and \$350,000, respectively.

	<u>Government-wide Statements</u>	<u>Balance Sheet</u>
	<u>Governmental Activities</u>	<u>Governmental Funds</u>
Long-term portion of opioid settlement receivable that is not available for funding of current expenditures	\$ -	\$ 1,846,844
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	-	3,355,626
2nd half assessments due after year-end	10,910,227	10,910,227
Prepaid property taxes due after year-end but paid in advance by taxpayers	864,849	864,849
Total property taxes	\$ 11,775,076	\$ 15,130,702
Total	\$ 11,775,076	\$ 16,977,546

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 21-Fund Balance and Net Position Classifications:

	General Fund	School CIP Fund	County CIP Fund	Total
Nonspendable:				
Prepaid Items	\$ 212,920	\$ -	\$ -	\$ 212,920
Restricted:				
Commonwealth Attorney Seized				
Assets, State & Federal	\$ 15,054	\$ -	\$ -	\$ 15,054
Sheriff Seized Assets	38,212	-	-	38,212
Aid to Localities for Fire Programs	21,621	-	-	21,621
Community Corrections Admin Fees	139,550	-	-	139,550
Hurricane Helene Funds	590,986	-	-	590,986
School Construction	-	2,662,134	-	2,662,134
Opioid settlement	855,675	-	-	855,675
Total Restricted	\$ 1,661,098	\$ 2,662,134	\$ -	\$ 4,323,232
Committed:				
County Construction	\$ -	\$ -	\$ 7,645,278	\$ 7,645,278
Assigned:				
Court Services Unit CE Richardson Grant	\$ 602	\$ -	\$ -	\$ 602
Sheriff I-81 Corridor Equipment	3,341	-	-	3,341
Sheriff Firing Range	34	-	-	34
Sheriff Concealed Weapons Permits	30,225	-	-	30,225
Sheriff E-Summons	595	-	-	595
Animal Control Donations	37,520	-	-	37,520
Animal Control Spay & Neuter Program	111,907	-	-	111,907
Courthouse Exhibits Grant	1,020	-	-	1,020
Office on Youth Kids Fishing Day	26,569	-	-	26,569
Office on Youth Wounded Warrior	2,032	-	-	2,032
Recreation Donations	1,894	-	-	1,894
Recreation Youth Golf	140,336	-	-	140,336
Library Donations	18,039	-	-	18,039
Library Imagination Station	9,417	-	-	9,417
Transfer to School Operating Fund	778,361	-	-	778,361
Transfer to School Capital Fund (Unused Schools Funds)	844,586	-	-	844,586
Transfer to EDA (Cigarette Tax)	458,522	-	-	458,522
Transfer to County Debt	970	-	-	970
Transfer to School Debt	11,312	-	-	11,312
Transfer to Internal Service Fund - Garage	41,931	-	-	41,931
Total Assigned	\$ 2,519,213	\$ -	\$ -	\$ 2,519,213
Unassigned:				
Unassigned	\$ 23,590,340	\$ -	\$ -	\$ 23,590,340
Total Fund Balance	\$ 27,983,571	\$ 2,662,134	\$ 7,645,278	\$ 38,290,983

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

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

	Primary Government	School Board
Restricted Net Postion:		
Commonwealth Attorney Seized Assets, State & Federal	\$ 15,054	\$ -
Sheriff Seized Assets	38,212	-
Aid to Localities for Fire Programs	21,621	
Community Corrections Admin Fees	139,550	-
Hurricane Helene Funds	590,986	-
School Construction	2,662,134	-
Opioid settlement	2,665,831	-
Net pension asset	-	237,261
School Activity Fund	-	107,870
Total Restricted Net Position	<u>\$ 6,133,388</u>	<u>\$ 345,131</u>

Note 22-Tax Abatement Programs:

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

Pulaski County has agreements with local companies for the purposes of economic development which conform to that definition. Tax abatements related to various tax types of approximately \$300,000 have been agreed to in aggregate and have various end dates. The companies regularly pay their taxes and on an annual basis prove they have met certain requirements for the grant program on an individual basis. These requirements include new jobs, which is verified by the Virginia Employment Commission, and taxable improvements to real estate or machinery and tools tax. Any company failing to maintain their end of the agreement will forfeit any further abatement requirements.

Note 23-Commitments and Contingencies:

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

<u>Entity</u>	<u>Project</u>	<u>Contract Amount</u>	Contract Amount Outstanding at June 30, 2025	<u>Funding Source</u>
School Board	Northwood	\$ 216,887	\$ -	Grant Funding
School Board	Northwood	998,632	306,950	Grant Funding

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements (Continued)
June 30, 2025

Note 24 -Adoption of Accounting Principle:

The County and Component Unit School Board implemented provisions of the Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. The objective of Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Beginning net position for the County and Component Unit School Board were restated to include sick leave in compensated absences as part of implementation of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*.

	Net Position Governmental Activities	Net Position Component Unit School Board
Beginning balance, as previously stated	\$ 113,619,429	\$ 1,578,292
Increase in compensated absences	(2,878,315)	(4,416,970)
Beginning balance, as restated	\$ 110,741,114	\$ (2,838,678)

Note 25-Litigation:

As of June 30, 2025, the County is involved in litigation with the City of Radford, VA regarding a revenue-sharing agreement. The County could potentially owe unpaid revenue-sharing amounts if the outcome is not favorable. The County is vigorously defending itself against the claim and does not believe that payout of same is probable; therefore, no liability has been recognized in the financial statements.

Note 26-Upcoming Pronouncements:

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

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

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

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

Required Supplementary Information

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

	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)
	Original	Final		
REVENUES				
General Property Taxes	\$ 39,352,100	\$ 39,352,100	\$ 39,340,899	\$ (11,201)
Other Local Taxes	10,335,100	10,376,145	10,597,070	220,925
Permits, Privilege Fees and Regulatory Licenses	168,400	168,400	161,305	(7,095)
Fines and Forfeitures	100,200	103,168	70,909	(32,259)
Revenue from Use of Money and Property	2,111,342	2,155,635	1,703,701	(451,934)
Charges for Services	1,639,901	2,227,381	2,430,650	203,269
Miscellaneous	289,287	819,161	1,069,539	250,378
Recovered Costs	1,672,977	1,814,338	1,681,516	(132,822)
Intergovernmental:				
Commonwealth	13,711,460	13,997,593	13,025,660	(971,933)
Federal Government	3,984,435	4,048,248	3,976,167	(72,081)
Total Revenues	\$ 73,365,202	\$ 75,062,169	\$ 74,057,416	\$ (1,004,753)
EXPENDITURES:				
Current:				
General Government Administration	\$ 4,010,814	\$ 4,198,771	\$ 4,204,732	\$ (5,961)
Judicial Administration	2,732,587	2,862,764	2,748,197	114,567
Public Safety	19,279,302	19,938,421	18,278,905	1,659,516
Public Works	3,436,810	4,322,535	3,868,568	453,967
Health and Welfare	12,296,911	13,126,399	10,854,858	2,271,541
Education	17,165,520	18,904,585	17,414,389	1,490,196
Parks, Recreation and Cultural	3,002,943	3,297,871	3,116,191	181,680
Community Development*	1,976,229	2,477,066	13,652,853	(11,175,787)
Non-Departmental	367,746	1,971	9,829	(7,858)
Debt Service:				
Principal Retirement	3,614,440	3,651,057	3,784,007	(132,950)
Interest and Other Fiscal Charges	1,518,158	1,518,158	1,435,043	83,115
Total Expenditures	\$ 69,401,460	\$ 74,299,598	\$ 79,367,572	\$ (5,067,974)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 3,963,742	\$ 762,571	\$ (5,310,156)	\$ (6,072,727)
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 15,274	\$ 4,020,228	\$ -	\$ (4,020,228)
Transfers Out	(3,979,016)	(5,062,839)	(5,152,628)	(89,789)
Issuance of Revenue Bond*	-	-	11,219,625	11,219,625
Total Other Financing Sources (Uses)	\$ (3,963,742)	\$ (1,042,611)	\$ 6,066,997	\$ 7,109,608
Net Change in Fund Balance	\$ -	\$ (280,040)	\$ 756,841	\$ 1,036,881
Fund Balance - Beginning	-	280,040	27,226,730	26,946,690
Fund Balance - Ending	\$ -	\$ -	\$ 27,983,571	\$ 27,983,571

*The County entered into a financing agreement with the EDA to make debt payments on an issuance for the Sportsplex. An appropriation will be made annually as debt payments are due and payable.

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

Date (1)	Employer's Proportion of the Net Pension Liability (Asset) (NPLA) (2)	Employer's Proportionate Share of the NPLA (3)	Employer's Covered Payroll (4)	Employer's Share of the NPLA as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset) (6)
Primary Government - County of Pulaski Retirement Plan					
2024	86.5672% \$	4,052,670 \$	16,497,253	24.57%	93.98%
2023	85.4922%	2,634,184	14,800,430	17.80%	95.68%
2022	85.3120%	642,417	13,550,482	4.74%	98.86%
2021	85.4460%	(1,785,466)	11,888,512	-15.02%	103.24%
2020	85.8900%	5,957,803	11,615,916	51.29%	88.50%
2019	85.7300%	4,690,414	10,056,520	46.64%	90.73%
2018	81.5237%	2,873,283	9,814,514	29.28%	93.59%
2017	81.5237%	3,619,908	9,341,508	38.75%	91.72%
2016	81.8900%	5,948,972	9,046,509	65.76%	86.10%
2015	81.3919%	4,247,122	8,486,988	50.04%	89.62%
Component Unit Public Service Authority					
2024	12.6284% \$	591,203 \$	2,407,129	24.56%	93.98%
2023	13.7081%	422,373	2,373,611	17.79%	95.68%
2022	13.9183%	104,808	2,210,691	4.74%	98.86%
2021	13.9370%	(291,226)	1,939,122	-15.02%	103.24%
2020	13.1500%	912,156	1,778,429	51.29%	88.50%
2019	13.3600%	730,945	1,680,489	43.50%	90.73%
2018	12.8998%	454,651	1,552,987	29.28%	93.59%
2017	12.8998%	572,792	1,498,406	38.23%	91.72%
2016	12.7300%	924,782	1,399,901	66.06%	86.10%
2015	13.2000%	688,791	1,380,323	49.90%	89.62%
Component Unit School Board (professional)					
2024	0.2534% \$	23,790,247 \$	27,160,420	87.59%	84.52%
2023	0.2655%	26,835,639	26,502,014	101.26%	82.45%
2022	0.2519%	23,983,340	23,520,768	101.97%	82.61%
2021	0.2481%	19,257,140	21,957,337	87.70%	85.46%
2020	0.2481%	36,097,789	21,758,155	165.90%	71.47%
2019	0.2583%	33,991,116	21,659,328	156.94%	73.51%
2018	0.2681%	31,530,000	21,717,893	145.18%	74.81%
2017	0.2761%	33,960,000	21,798,816	155.79%	72.92%
2016	0.2811%	39,386,000	21,429,302	183.80%	68.28%
2015	0.2876%	36,199,000	21,387,353	169.25%	70.68%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ 247,498	\$ 245,647	\$ 191,886	\$ 202,457	\$ 217,278	\$ 205,580	\$ 205,130	\$ 217,216	\$ 248,654	\$ 265,386
Interest	868,454	827,709	818,144	768,210	770,518	741,559	721,459	727,532	703,996	680,732
Differences between expected and actual experience	559,613	235,630	(211,088)	(187,949)	(405,445)	119,357	(75,674)	(407,240)	(78,558)	(89,812)
Changes of assumptions				467,838		314,083		(62,808)		
Benefit payments	(724,537)	(689,873)	(732,125)	(673,229)	(559,845)	(558,574)	(568,951)	(553,976)	(521,747)	(526,169)
Net change in total pension liability	\$ 951,028	\$ 619,113	\$ 66,817	\$ 577,327	\$ 22,506	\$ 822,005	\$ 281,964	\$ (79,276)	\$ 352,345	\$ 330,137
Total pension liability - beginning	\$ 12,980,762	\$ 12,361,649	\$ 12,294,832	\$ 11,717,505	\$ 11,694,999	\$ 10,872,994	\$ 10,591,030	\$ 10,670,306	\$ 10,317,961	\$ 9,987,824
Total pension liability - ending (a)	\$ 13,931,790	\$ 12,980,762	\$ 12,361,649	\$ 12,294,832	\$ 11,717,505	\$ 11,694,999	\$ 10,872,994	\$ 10,591,030	\$ 10,670,306	\$ 10,317,961
Plan fiduciary net position										
Contributions - employer	\$ 99,877	\$ 98,322	\$ 104,766	\$ 97,556	\$ 117,292	\$ 116,646	\$ 156,401	\$ 151,950	\$ 202,984	\$ 218,738
Contributions - employee	132,655	126,733	113,981	106,533	115,412	109,242	108,131	105,216	111,956	121,343
Net investment income	1,282,101	826,452	(8,182)	2,972,994	211,656	710,228	761,233	1,146,141	164,816	424,421
Benefit payments	(724,537)	(689,873)	(732,125)	(673,229)	(559,845)	(558,574)	(568,951)	(553,976)	(521,747)	(526,169)
Administrator charges	(8,854)	(8,450)	(8,535)	(7,647)	(7,370)	(7,218)	(6,699)	(6,016)	(6,016)	(5,914)
Other	231	331	306	278	(250)	(447)	(672)	(1,014)	(72)	(90)
Net change in plan fiduciary net position	\$ 781,473	\$ 353,515	\$ (529,789)	\$ 2,496,485	\$ (123,105)	\$ 369,877	\$ 449,413	\$ 841,543	\$ (48,079)	\$ 232,329
Plan fiduciary net position - beginning	\$ 13,387,578	\$ 13,034,063	\$ 13,563,852	\$ 11,067,367	\$ 11,190,472	\$ 10,820,595	\$ 10,371,152	\$ 9,529,609	\$ 9,577,688	\$ 9,345,359
Plan fiduciary net position - ending (b)	\$ 14,169,051	\$ 13,387,578	\$ 13,034,063	\$ 13,563,852	\$ 11,067,367	\$ 11,190,472	\$ 10,820,595	\$ 10,371,152	\$ 9,529,609	\$ 9,577,688
School Division's net pension liability (asset) - ending (a) - (b)	\$ (237,261)	\$ (406,816)	\$ (672,414)	\$ (1,269,020)	\$ 650,138	\$ 504,527	\$ 52,399	\$ 219,878	\$ 1,140,697	\$ 740,273
Plan fiduciary net position as a percentage of the total pension liability	101.70%	103.13%	105.44%	110.32%	94.45%	95.6%	99.52%	97.92%	89.31%	92.83%
Covered payroll	\$ 2,974,569	\$ 2,803,552	\$ 2,513,908	\$ 2,297,560	\$ 2,355,416	\$ 2,320,345	\$ 2,271,156	\$ 2,171,340	\$ 2,279,771	\$ 2,434,851
School Division's net pension liability (asset) as a percentage of covered payroll	-7.98%	-14.51%	-26.75%	-55.23%	27.60%	21.74%	2.31%	10.13%	50.04%	30.40%

County of Pulaski, Virginia
Schedule of Employer Contributions
Pension Plans

For the Measurement Dates of June 30, 2016 through June 30, 2025

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2025	\$ 1,984,613	\$ 1,984,613	\$ -	\$ 18,060,765	10.99%
2024	1,385,866	1,385,866	-	16,497,253	8.40%
2023	1,242,091	1,242,091	-	14,800,430	8.39%
2022	1,089,888	1,089,888	-	13,550,482	8.04%
2021	967,573	967,573	-	11,888,512	8.14%
2020	981,662	981,662	-	11,615,916	8.45%
2019	859,240	859,240	-	10,056,520	8.54%
2018	923,644	923,644	-	9,814,514	9.41%
2017	886,604	886,604	-	9,341,508	9.49%
2016	1,099,960	1,099,960	-	9,046,509	12.16%
Component Unit Public Service Authority					
2025	\$ 285,123	\$ 285,123	\$ -	\$ 2,596,423	10.98%
2024	202,170	202,170	-	2,407,129	8.40%
2023	199,160	199,160	-	2,373,611	8.39%
2022	177,811	177,811	-	2,210,691	8.04%
2021	157,815	157,815	-	1,939,122	8.14%
2020	150,256	150,256	-	1,778,429	8.45%
2019	143,608	143,608	-	1,680,489	8.55%
2018	146,152	146,152	-	1,552,987	9.41%
2017	142,214	142,214	-	1,498,406	9.49%
2016	169,248	169,248	-	1,399,901	12.09%
Component Unit School Board (nonprofessional)					
2025	\$ 186,159	\$ 186,159	\$ -	\$ 3,171,359	5.87%
2024	100,280	100,280	-	2,974,569	3.37%
2023	98,639	98,639	-	2,803,552	3.52%
2022	104,981	104,981	-	2,513,908	4.18%
2021	97,800	97,800	-	2,297,560	4.26%
2020	117,508	117,508	-	2,355,416	4.99%
2019	116,793	116,793	-	2,320,345	5.03%
2018	156,538	156,538	-	2,271,156	6.89%
2017	151,735	151,735	-	2,171,340	6.99%
2016	205,179	205,179	-	2,279,771	9.00%
Component Unit School Board (professional)					
2025	\$ 4,199,308	\$ 4,199,308	\$ -	\$ 29,478,270	14.25%
2024	4,274,549	4,274,549	-	27,160,420	15.74%
2023	4,191,222	4,191,222	-	26,502,014	15.81%
2022	3,742,313	3,742,313	-	23,520,768	15.91%
2021	3,509,331	3,509,331	-	21,957,337	15.98%
2020	3,326,828	3,326,828	-	21,758,155	15.29%
2019	3,309,921	3,309,921	-	21,659,328	15.28%
2018	3,473,102	3,473,102	-	21,717,893	15.99%
2017	3,143,365	3,143,365	-	21,798,816	14.66%
2016	3,012,959	3,012,959	-	21,429,302	14.06%

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

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

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

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

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

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

All Others (Non 10 Largest) - Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

County of Pulaski, Virginia
 Schedule of County's Share of Net OPEB Liability
 Healthcare OPEB Plan
 For the Years Ended June 30, 2017 through June 30, 2024

Date (1)	Employer's Proportion of the Net OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net OPEB Liability (Asset) (3)	Covered- Employee Payroll (4)	Employer's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)
<u>Primary Government:</u>				
2024	25.89%	\$ 995,000	N/A	N/A
2023	21.74%	1,065,400	N/A	N/A
2022	24.13%	1,166,900	N/A	N/A
2021	24.82%	1,210,800	N/A	N/A
2020	25.24%	1,132,100	N/A	N/A
2019	27.70%	1,303,700	N/A	N/A
2018	27.37%	1,218,300	N/A	N/A
2017	26.28%	1,191,800	N/A	N/A
<u>Component Unit Public Service Authority:</u>				
2024	2.76%	\$ 106,100	N/A	N/A
2023	2.39%	116,900	N/A	N/A
2022	2.62%	126,600	N/A	N/A
2021	3.08%	150,200	N/A	N/A
2020	3.08%	138,300	N/A	N/A
2019	4.20%	197,600	N/A	N/A
2018	4.14%	184,400	N/A	N/A
2017	4.24%	192,300	N/A	N/A
<u>Component Unit - School Board:</u>				
2024	71.35%	\$ 2,741,800	N/A	N/A
2023	75.87%	3,717,600	N/A	N/A
2022	73.25%	3,542,900	N/A	N/A
2021	72.10%	3,517,400	N/A	N/A
2020	71.68%	3,215,300	N/A	N/A
2019	67.95%	3,197,800	N/A	N/A
2018	68.35%	3,042,700	N/A	N/A
2017	69.26%	3,141,200	N/A	N/A

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

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

Valuation Date: 7/1/2024
 Measurement Date: 7/1/2024

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age actuarial cost method
Discount Rate	4.09%
Healthcare Trend Rate	County and School: 7.00% for fiscal year end 2025, decreasing 0.25% per year to an ultimate rate of 5.00%
Salary Scale	2.50%
Mortality Rates	PUB-2010 Amount-Weighted General Mortality Table - Employees with MP-2021 Projection Scale Fully Generational

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

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Primary Government					
2024	0.06428%	\$ 717,272	\$ 16,501,320	4.35%	73.41%
2023	0.06284%	753,609	14,758,054	5.11%	69.30%
2022	0.06226%	749,679	13,543,196	5.54%	67.21%
2021	0.05751%	669,715	11,888,512	5.63%	67.45%
2020	0.05643%	941,863	11,615,916	8.11%	52.64%
2019	0.05509%	896,462	10,073,360	8.90%	52.00%
2018	0.05197%	789,149	9,814,514	8.04%	51.22%
2017	0.05163%	777,136	9,341,508	8.32%	48.86%
Component Unit Public Service Authority					
2024	0.00938%	\$ 104,635	\$ 2,407,717	4.35%	73.41%
2023	0.01008%	120,836	2,373,269	5.09%	69.30%
2022	0.01016%	122,307	2,209,516	5.54%	67.21%
2021	0.00938%	109,237	1,939,122	5.63%	67.45%
2020	0.00864%	144,202	1,786,764	8.07%	52.64%
2019	0.00859%	139,703	1,683,303	8.30%	52.00%
2018	0.00822%	124,870	1,552,987	8.04%	51.22%
2017	0.00803%	120,808	1,498,406	8.06%	48.86%
Component Unit - School Board (nonprofessional)					
2024	0.01165%	\$ 130,005	\$ 2,992,082	4.34%	73.41%
2023	0.01197%	143,558	2,818,644	5.09%	69.30%
2022	0.01150%	138,471	2,502,174	5.53%	67.21%
2021	0.01120%	129,933	2,303,210	5.64%	67.45%
2020	0.01150%	192,083	2,365,581	8.12%	52.64%
2019	0.01185%	192,831	2,323,486	8.30%	52.00%
2018	0.01197%	182,000	2,271,156	8.01%	51.22%
2017	0.01177%	177,000	2,171,340	8.15%	48.86%
Component Unit - School Board (professional)					
2023	0.10578%	\$ 1,180,422	\$ 27,160,420	4.35%	73.41%
2023	0.11251%	1,349,348	26,502,014	5.09%	69.30%
2022	0.10816%	1,302,351	23,526,688	5.54%	67.21%
2021	0.10630%	1,238,203	21,957,337	5.64%	67.45%
2020	0.10570%	1,764,627	21,762,660	8.11%	52.64%
2019	0.11061%	1,799,919	21,683,706	8.30%	52.00%
2018	0.11429%	1,735,000	21,717,893	7.99%	51.22%
2017	0.11814%	1,778,000	21,798,816	8.16%	48.86%

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

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

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government:					
2025	\$ 84,771	\$ 84,771	\$ -	\$ 18,062,749	0.47%
2024	89,107	89,107	-	16,501,320	0.54%
2023	79,911	79,911	-	14,758,054	0.54%
2022	73,126	73,126	-	13,543,196	0.54%
2021	64,131	64,131	-	11,888,512	0.54%
2020	60,458	60,458	-	11,615,916	0.52%
2019	52,381	52,381	-	10,073,360	0.52%
2018	51,268	51,268	-	9,814,514	0.52%
2017	49,634	49,634	-	9,341,508	0.53%
Component Unit Public Service Authority					
2025	\$ 12,205	\$ 12,205	\$ -	\$ 2,596,706	0.47%
2024	13,002	13,002	-	2,407,717	0.54%
2023	12,816	12,816	-	2,373,269	0.54%
2022	11,931	11,931	-	2,209,516	0.54%
2021	10,460	10,460	-	1,939,122	0.54%
2020	9,256	9,256	-	1,786,764	0.52%
2019	8,753	8,753	-	1,683,303	0.52%
2018	8,112	8,112	-	1,552,987	0.52%
2017	7,716	7,716	-	1,498,406	0.51%
Component Unit - School Board (nonprofessional)					
2025	\$ 14,970	\$ 14,970	\$ -	\$ 3,185,007	0.47%
2024	16,157	16,157	-	2,992,082	0.54%
2023	15,221	15,221	-	2,818,644	0.54%
2022	13,512	13,512	-	2,502,174	0.54%
2021	12,437	12,437	-	2,303,210	0.54%
2020	12,314	12,314	-	2,365,581	0.52%
2019	12,082	12,082	-	2,323,486	0.52%
2018	11,831	11,831	-	2,271,156	0.52%
2017	11,291	11,291	-	2,171,340	0.52%
2016	10,943	10,943	-	2,279,771	0.48%
Component Unit - School Board (professional)					
2025	\$ 138,548	\$ 138,548	\$ -	\$ 29,478,270	0.47%
2024	146,666	146,666	-	27,160,420	0.54%
2023	143,111	143,111	-	26,502,014	0.54%
2022	127,044	127,044	-	23,526,688	0.54%
2021	118,567	118,567	-	21,957,337	0.54%
2020	112,852	112,852	-	21,762,660	0.52%
2019	112,755	112,755	-	21,683,706	0.52%
2018	113,185	113,185	-	21,717,893	0.52%
2017	113,316	113,316	-	21,798,816	0.52%
2016	102,879	102,879	-	21,429,302	0.48%

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

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

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

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

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

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

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2024	0.25351%	\$ 2,929,683	\$ 27,160,420	10.79%	21.82%
2023	0.26579%	3,219,826	26,502,014	12.15%	17.90%
2022	0.25240%	3,152,344	23,521,838	13.40%	15.08%
2021	0.24828%	3,186,846	21,957,337	14.51%	13.15%
2020	0.24820%	3,237,679	21,758,155	14.88%	9.95%
2019	0.25823%	3,380,482	21,659,328	15.61%	8.97%
2018	0.26811%	3,404,000	21,717,893	15.67%	8.08%
2017	0.27607%	3,503,000	21,798,816	16.07%	7.04%

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

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

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2025	\$ 356,687	\$ 356,687	\$ -	\$ 29,478,270	1.21%
2024	328,641	328,641	-	27,160,420	1.21%
2023	320,674	320,674	-	26,502,014	1.21%
2022	284,614	284,614	-	23,521,838	1.21%
2021	265,683	265,683	-	21,957,337	1.21%
2020	260,318	260,318	-	21,758,155	1.20%
2019	259,911	259,911	-	21,659,328	1.20%
2018	267,130	267,130	-	21,717,893	1.23%
2017	241,839	241,839	-	21,798,816	1.11%
2016	227,151	227,151	-	21,429,302	1.06%

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

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

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

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

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

	2024	2023	2022	2021	2020
Total HIC OPEB Liability					
Service cost	\$ 2,222	\$ 2,288	\$ 2,780	\$ 3,003	\$ -
Interest	11,899	19,556	18,457	16,782	-
Changes of benefit terms	-	-	-	-	248,622
Differences between expected and actual experience	(10,863)	(126,665)	(22,170)	(1)	-
Changes of assumptions	-	-	26,405	6,616	-
Benefit payments	(8,435)	(8,677)	(8,723)	-	-
Net change in total HIC OPEB liability	\$ (5,177)	\$ (113,498)	\$ 16,749	\$ 26,400	\$ 248,622
Total HIC OPEB Liability - beginning	178,273	291,771	275,022	248,622	-
Total HIC OPEB Liability - ending (a)	\$ 173,096	\$ 178,273	\$ 291,771	\$ 275,022	\$ 248,622
Plan fiduciary net position					
Contributions - employer	\$ 30,055	\$ 28,315	\$ 20,494	\$ 18,840	\$ -
Net investment income	6,628	2,765	(201)	2,439	-
Benefit payments	(8,435)	(8,677)	(8,723)	-	-
Administrator charges	(99)	(84)	(66)	(83)	-
Net change in plan fiduciary net position	\$ 28,149	\$ 22,319	\$ 11,504	\$ 21,196	\$ -
Plan fiduciary net position - beginning	55,019	32,700	21,196	-	-
Plan fiduciary net position - ending (b)	\$ 83,168	\$ 55,019	\$ 32,700	\$ 21,196	\$ -
School Division's net OPEB liability - ending (a) - (b)	\$ 89,928	\$ 123,254	\$ 259,071	\$ 253,826	\$ 248,622
Plan fiduciary net position as a percentage of the total HIC OPEB Liability	48.05%	30.86%	11.21%	7.71%	0.00%
Covered payroll	\$ 2,975,720	\$ 2,803,552	\$ 2,499,280	\$ 2,297,560	\$ -
Component Unit School Board's net HIC OPEB liability as a percentage of covered payroll	3.02%	4.40%	10.37%	11.05%	0.00%

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

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

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2025	\$ 32,031	\$ 32,031	-	\$ 3,171,359	1.01%
2024	30,055	30,055	-	2,975,720	1.01%
2023	28,316	28,316	-	2,803,552	1.01%
2022	20,494	20,494	-	2,499,280	0.82%
2021	18,840	18,840	-	2,297,560	0.82%

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

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

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

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

Non-Largest Ten Locality Employers - General Employees

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

Other Supplementary Information

County of Pulaski, Virginia
Major Capital Projects Fund-County CIP Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)
	Original	Final		
REVENUES				
Miscellaneous	\$ 305,325	\$ 300,398	\$ 372,398	\$ 72,000
Intergovernmental:				
Commonwealth	40,470	224,906	11,983	(212,923)
Total Revenues	\$ 345,795	\$ 525,304	\$ 384,381	\$ (140,923)
EXPENDITURES:				
Current:				
General Government Administration	\$ (261,677)	\$ 331,537	\$ 216,716	\$ 114,821
Judicial Administration	36,466	11,226	11,226	-
Public Safety	1,759,667	3,871,255	1,179,075	2,692,180
Public Works	(118,094)	2,893,047	1,568,056	1,324,991
Health and Welfare	91,251	244,363	63,909	180,454
Parks, Recreation and Cultural	1,740,463	7,023,332	3,325,490	3,697,842
Community Development	14,248	789,248	789,248	-
Debt Service:				
Principal Retirement	-	-	38,058	(38,058)
Interest and Other Fiscal Charges	-	-	3,647	(3,647)
Total Expenditures	\$ 3,262,324	\$ 15,164,008	\$ 7,195,425	\$ 7,968,583
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,916,529)	\$ (14,638,704)	\$ (6,811,044)	\$ 7,827,660
Other Financing Sources (Uses)				
Transfers In	\$ 2,565,705	\$ 12,002,872	\$ 3,592,893	\$ (8,409,979)
Transfers Out	(146,884)	(146,884)	-	146,884
Total Other Financing Sources (Uses)	\$ 2,418,821	\$ 11,855,988	\$ 3,592,893	\$ (8,263,095)
Net Change in Fund Balance	\$ (497,708)	\$ (2,782,716)	\$ (3,218,151)	\$ (435,435)
Fund Balance - Beginning	497,708	2,782,716	10,863,429	8,080,713
Fund Balance - Ending	\$ -	\$ -	\$ 7,645,278	\$ 7,645,278

County of Pulaski, Virginia
 Major Capital Projects Fund-School CIP Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)
	Original	Final		
REVENUES				
Revenue from Use of Money and Property	\$ -	\$ -	\$ 86,557	\$ 86,557
Total Revenues	\$ -	\$ -	\$ 86,557	\$ 86,557
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	\$ -	\$ -	\$ 86,557	\$ 86,557
Net Change in Fund Balance	\$ -	\$ -	\$ 86,557	\$ 86,557
Fund Balance - Beginning	-	-	2,575,577	2,575,577
Fund Balance - Ending	\$ -	\$ -	\$ 2,662,134	\$ 2,662,134

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

	Custodial Funds			<u>Total</u>
	<u>Special Welfare</u>	<u>Performance Bond</u>	<u>Employee Flexible Benefits</u>	
ASSETS				
Cash and Cash Equivalents	\$ 32,282	\$ 135,601	\$ 100,724	\$ 268,607
Total Assets	<u>\$ 32,282</u>	<u>\$ 135,601</u>	<u>\$ 100,724</u>	<u>\$ 268,607</u>
NET POSITION				
Restricted:				
Special Welfare	\$ 32,282	\$ -	\$ -	\$ 32,282
Performance Bond	-	135,601	-	135,601
Employee Flexible Benefits	-	-	100,724	100,724
Total net position	<u>\$ 32,282</u>	<u>\$ 135,601</u>	<u>\$ 100,724</u>	<u>\$ 268,607</u>

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

	Special Welfare	Performance Bond	Employee Flexible Benefits	Total
ADDITIONS				
Contributions:				
Expenditure reimbursement	\$ 13,440	\$ 2,231	\$ -	\$ 15,671
Support enforcements	7,384	-	-	7,384
Benefits reimbursements	-	-	50,023	50,023
Total contributions	<u>\$ 20,824</u>	<u>\$ 2,231</u>	<u>\$ 50,023</u>	<u>\$ 73,078</u>
Total additions	<u>\$ 20,824</u>	<u>\$ 2,231</u>	<u>\$ 50,023</u>	<u>\$ 73,078</u>
DEDUCTIONS				
Special welfare payments	\$ 22,556	\$ -	\$ -	\$ 22,556
Flexible benefits	-	-	45,834	45,834
Total deductions	<u>\$ 22,556</u>	<u>\$ -</u>	<u>\$ 45,834</u>	<u>\$ 68,390</u>
Net increase (decrease) in fiduciary net position	\$ (1,732)	\$ 2,231	\$ 4,189	\$ 4,688
Net position, beginning	34,014	133,370	96,535	263,919
Net position, ending	<u>\$ 32,282</u>	<u>\$ 135,601</u>	<u>\$ 100,724</u>	<u>\$ 268,607</u>

DISCRETELY PRESENTED COMPONENT UNIT- SCHOOL BOARD

MAJOR GOVERNMENTAL FUND

School Operating Fund - The School Operating Fund accounts for the operations of the County's school system. Financing is provided by the State and Federal governments as well as contributions from the General Fund of the County. The Cafeteria and Governor's School Funds have been merged for reporting purposes.

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

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

	School Operating Fund	School Activity Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 7,286,217	\$ 1,203,782	\$ 8,489,999
Prepaid Items	848,308	-	848,308
Due from Primary Government	2,318,950	-	2,318,950
Due from Other Governmental Units	2,558,014	-	2,558,014
Total Assets	<u>\$ 13,011,489</u>	<u>\$ 1,203,782</u>	<u>\$ 14,215,271</u>
LIABILITIES			
Accounts Payable	\$ 597,191	\$ -	\$ 597,191
Accrued Wages	4,740,134	-	4,740,134
Unearned Revenue	350,000	-	350,000
Due to Primary Government	128,635	-	128,635
Total Liabilities	<u>\$ 5,815,960</u>	<u>\$ -</u>	<u>\$ 5,815,960</u>
FUND BALANCES			
Nonspendable - Prepaid Items	\$ 848,308	\$ -	\$ 848,308
Restricted - School activity fund	-	107,870	107,870
Assigned - School activity fund	-	1,095,912	1,095,912
Committed	6,347,221	-	6,347,221
Total Fund Balances	<u>\$ 7,195,529</u>	<u>\$ 1,203,782</u>	<u>\$ 8,399,311</u>
Total Liabilities and Fund Balances	<u>\$ 13,011,489</u>	<u>\$ 1,203,782</u>	<u>\$ 14,215,271</u>

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

Total fund balances - per above		\$ 8,399,311
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, not being depreciated	\$ 2,372,945	
Capital assets, net of accumulated depreciation/amortization	<u>23,243,915</u>	25,616,860
The net pension asset is not an available resource and, therefore, is not reported in the funds.		237,261
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension Related Items	\$ 10,190,539	
OPEB Related Items	<u>1,744,487</u>	11,935,026
Long-term liabilities, including compensated absences, net pension liability, and net OPEB liabilities are not due and payable in the current period and therefore, are not reported in the funds.		
Compensated Absences	\$ (8,764,894)	
Net Pension Liability	(23,790,247)	
Net OPEB liabilities	<u>(7,071,838)</u>	(39,626,979)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds		
Pension Related Items	\$ (5,161,154)	
OPEB Related Items	<u>(2,328,533)</u>	(7,489,687)
Net position of governmental activities - component unit school board		<u>\$ (928,208)</u>

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

	School Operating Fund	School Activity Fund*	Total
REVENUES			
Revenue from Use of Money and Property	\$ 91,299	\$ -	\$ 91,299
Charges for Services	201,524	871,418	1,072,942
Miscellaneous	99,995	-	99,995
Recovered Costs	989,386	-	989,386
Intergovernmental:			
Local Government	17,255,883	-	17,255,883
Commonwealth	44,627,197	-	44,627,197
Federal Government	7,473,569	-	7,473,569
Total Revenues	<u>\$ 70,738,853</u>	<u>\$ 871,418</u>	<u>\$ 71,610,271</u>
EXPENDITURES:			
Current:			
Education	\$ 70,021,815	\$ 1,597,303	\$ 71,619,118
Total Expenditures	<u>\$ 70,021,815</u>	<u>\$ 1,597,303</u>	<u>\$ 71,619,118</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 717,038</u>	<u>\$ (725,885)</u>	<u>\$ (8,847)</u>
Other Financing Sources (Uses)			
Transfers In	\$ -	\$ 536,667	\$ 536,667
Transfers Out	(536,667)	-	(536,667)
Total Other Financing Sources (Uses)	<u>\$ (536,667)</u>	<u>\$ 536,667</u>	<u>\$ -</u>
Net Change in Fund Balance	\$ 180,371	\$ (189,218)	\$ (8,847)
Fund Balance - Beginning	7,015,158	1,393,000	8,408,158
Fund Balance - Ending	<u>\$ 7,195,529</u>	<u>\$ 1,203,782</u>	<u>\$ 8,399,311</u>

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

Net change in fund balance - total governmental funds - per above \$ (8,847)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Detail of items supporting these adjustments is as follows:

Capital Outlay	\$ 4,200,833	
Depreciation	<u>(2,110,829)</u>	2,090,004

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

Disposal of assets (20,458)

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

(Increase) Decrease in compensated absences	\$ (2,465,806)	
Changes in pension related items	1,915,836	
Changes in OPEB related items	<u>399,741</u>	(150,229)

Change in net position of governmental funds - component unit school board \$ 1,910,470

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

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

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Pos (Neg)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Revenue from Use of Money and Property	\$ 92,400	\$ 92,400	\$ 91,299	\$ (1,101)
Charges for Services	291,000	291,000	201,524	(89,476)
Miscellaneous	49,937	49,937	99,995	50,058
Recovered Costs	657,500	657,500	989,386	331,886
Intergovernmental:				
Local Government	17,045,410	20,308,197	17,255,883	(3,052,314)
Commonwealth	41,961,971	41,448,024	44,627,197	3,179,173
Federal Government	9,012,067	10,975,837	7,473,569	(3,502,268)
Total Revenues	<u>\$ 69,110,285</u>	<u>\$ 73,822,895</u>	<u>\$ 70,738,853</u>	<u>\$ (3,084,042)</u>
EXPENDITURES:				
Current:				
Education	\$ 69,110,285	\$ 73,825,630	\$ 70,021,815	\$ 3,803,815
Total Expenditures	<u>\$ 69,110,285</u>	<u>\$ 73,825,630</u>	<u>\$ 70,021,815</u>	<u>\$ 3,803,815</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	\$ -	\$ (2,735)	\$ 717,038	\$ 719,773
Other Financing Sources (Uses)				
Transfers Out	\$ -	\$ -	\$ (536,667)	\$ (536,667)
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (536,667)</u>	<u>\$ (536,667)</u>
Net Change in Fund Balance	\$ -	\$ (2,735)	\$ 180,371	\$ 183,106
Fund Balance - Beginning	-	2,735	7,015,158	7,012,423
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,195,529</u>	<u>\$ 7,195,529</u>

**DISCRETELY PRESENTED COMPONENT UNIT- SPORTS TOURISM &
ENTERTAINMENT AUTHORITY**

MAJOR GOVERNMENTAL FUND

Sports Tourism & Entertainment Authority (STEA) - The STEA operating fund account is an enterprise fund that accounts for the County's Component-unit STEA.

County of Pulaski, Virginia
Statement of Net Position - Proprietary Fund
Discretely Presented Component Unit - Sports Tourism & Entertainment Authority
June 30, 2025

	STEAM Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 124,800
Prepaid expenses	1,749
Total assets	\$ 126,549
 LIABILITIES	
Current liabilities:	
Accounts payable	\$ 24,127
Due to primary government	7,303
Total liabilities	\$ 31,430
 NET POSITION	
Unrestricted	\$ 95,119
Total net position	\$ 95,119

County of Pulaski, Virginia
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund
Discretely Presented Component Unit - Sports Tourism & Entertainment Authority
For the Year Ended June 30, 2025

	STEAM Fund
OPERATING REVENUES	
Miscellaneous	\$ 1,000
Total operating revenues	\$ 1,000
OPERATING EXPENSES	
Board compensation	\$ 15,502
Professional and legal services	7,916
Repairs and maintenance	18,614
Insurance	856
Advertising	43,447
Supplies	3,944
Utilities	105,450
Dues and memberships	3,088
Training and travel	6,001
Vehicles and equipment	47,745
Miscellaneous	4,201
Total operating expenses	\$ 256,764
Operating income (loss)	\$ (255,764)
OTHER FINANCING SOURCES (USES)	
Contribution from County	\$ 350,883
Total nonoperating revenues (expenses)	\$ 350,883
Change in net position	\$ 95,119
Total net position - beginning	-
Total net position - ending	\$ 95,119

County of Pulaski, Virginia
Statement of Cash Flows - Proprietary Fund
Discretely Presented Component Unit - Sports Tourism & Entertainment Authority
For the Year Ended June 30, 2025

	STE A Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments for operating expenses	\$ (234,386)
Other receipts	8,303
Net cash provided by (used for) operating activities	\$ (226,083)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	\$ 350,883
Net cash provided by (used for) noncapital financing activities	\$ 350,883
Net increase (decrease) in cash and cash equivalents	\$ 124,800
Cash and cash equivalents - beginning	-
Cash and cash equivalents - ending	\$ 124,800
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ (255,764)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Increase (decrease) in prepaid expenses	\$ (1,749)
Increase (decrease) in accounts payable	24,127
Increase (decrease) in due to primary government	7,303
Total adjustments	\$ 29,681
Net cash provided by (used for) operating activities	\$ (226,083)

Other Statistical Information

Table 1

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

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Total
2024-25	\$ 4,609,549	\$ 3,266,377	\$ 21,175,170	\$ 6,133,654	\$ 11,476,191	\$ 19,503,551	\$ 4,442,157	\$ 14,807,266	\$ 1,381,611	\$ 86,795,526
2023-24 (1)	1,405,983	2,858,572	18,789,923	6,125,638	10,997,833	18,653,498	3,255,786	10,569,082	1,431,288	74,087,603
2022-23	2,941,654	2,042,456	16,336,680	3,469,150	9,621,841	18,050,645	640,357	3,935,891	1,524,986	58,563,660
2021-22	3,738,155	2,178,268	15,419,417	2,251,981	9,420,070	21,666,411	2,446,473	2,219,436	1,613,525	60,953,736
2020-21	3,279,198	2,110,024	16,319,331	1,686,968	9,409,838	17,637,702	890,249	2,758,678	1,733,954	55,825,942
2019-20	3,128,845	2,169,572	12,496,921	2,230,327	10,235,842	15,838,781	1,840,271	1,105,826	1,884,031	50,930,416
2018-19	2,660,377	1,945,251	10,668,415	1,949,125	9,518,680	15,549,922	1,566,378	1,181,486	1,870,352	46,909,986
2017-18	2,801,349	2,067,758	9,874,829	2,586,077	10,515,792	16,553,189	1,621,925	3,504,042	1,717,409	51,242,370
2016-17	2,700,402	2,109,851	10,833,574	2,617,920	10,957,406	15,480,363	1,615,012	1,149,908	785,624	48,250,060
2015-16	2,271,956	1,839,512	9,084,993	2,248,209	10,778,762	15,078,566	1,474,176	2,444,344	854,398	46,074,916

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

Table 2

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

Fiscal Year	Program Revenues				General Revenues						Grants and Contributions Not Restricted to Specific Programs	Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous				
2024-25	\$ 2,783,670	\$ 14,598,371	\$ -	\$ -	\$ 39,365,750	\$ 10,597,070	\$ 1,669,452	\$ 1,504,119	\$ 2,415,439	\$ 72,933,871		
2023-24 (1)	2,016,055	17,230,392	24,585,000		39,036,235	10,766,378	2,535,802	1,295,467	2,392,291	99,857,620		
2022-23	2,047,099	14,231,582	10,666		38,046,136	10,468,228	1,072,356	575,615	2,600,328	69,052,010		
2021-22	1,400,143	15,890,466	487,488		35,676,092	9,381,355	328,520	1,581,600	2,431,631	67,177,295		
2020-21	1,765,952	18,867,125	1,170		33,406,557	8,666,350	475,586	33,055	2,419,357	65,635,152		
2019-20	2,025,196	12,833,704	407,169		31,446,592	8,270,789	926,218	108,675	2,587,059	58,605,402		
2018-19	1,151,680	12,089,326	128,397		31,370,107	7,849,693	1,612,865	301,726	2,663,341	57,167,135		
2017-18	730,770	12,636,401	123,701		28,799,097	7,479,531	669,250	137,700	2,624,484	53,200,934		
2016-17	784,304	13,695,749	139,906		26,556,425	7,476,305	371,956	113,955	2,653,536	51,792,136		
2015-16	722,159	12,010,459	1,364,931		25,966,779	7,247,877	306,940	363,247	2,582,112	50,564,504		

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

Table 3

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

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Non-Departmental	Debt Service (3)	Total
2024-25	\$ 4,421,448	\$ 2,759,423	\$ 19,457,980	\$ 5,436,624	\$ 10,918,767	\$ 70,180,321	\$ 6,441,681	\$ 14,442,101	\$ 9,829	\$ 5,260,755	\$ 139,328,929
2023-24	4,117,432	2,615,559	17,471,487	5,770,737	10,569,444	65,036,745	3,235,703	10,326,074	8,388	5,250,325	124,401,894
2022-23	3,776,515	2,400,505	16,261,710	3,507,102	9,621,703	65,520,111	2,924,040	3,230,147	8,316	5,820,362	113,070,511
2021-22	4,055,510	2,163,468	16,137,470	3,051,879	9,484,449	55,209,956	2,366,297	2,062,799	7,825	5,805,515	100,345,168
2020-21	3,763,728	2,110,508	17,481,716	2,709,910	9,447,348	51,058,145	2,909,632	3,015,242	-	6,378,184	98,874,413
2019-20	3,551,066	2,090,825	12,646,612	2,741,035	10,128,218	49,471,676	2,443,175	1,279,627	-	6,421,927	90,774,161
2018-19	3,309,300	2,083,683	11,350,386	2,364,247	9,777,818	49,109,733	2,087,391	1,211,765	-	6,368,340	87,662,663
2017-18	3,256,810	2,061,752	9,584,427	3,266,501	10,519,706	47,520,022	1,600,164	3,481,924	52,143	3,685,580	85,029,029
2016-17	2,705,363	2,015,564	10,764,367	2,755,809	11,099,772	48,196,247	1,555,062	1,889,719	-	3,253,181	84,235,084
2015-16	2,656,161	1,936,077	9,472,446	2,399,136	11,601,877	47,273,041	1,571,268	2,445,903	11,203	7,969,056	87,336,168

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

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

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

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

Table 4

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

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (2)	Total
2024-25	\$ 39,340,899	\$ 10,597,070	\$ 161,305	\$ 70,909	\$ 1,795,000	\$ 2,632,174	\$ 1,541,932	\$ 2,670,902	\$ 69,114,576	\$ 127,924,767
2023-24	38,855,885	10,766,378	147,648	108,171	2,638,280	1,883,828	455,618	3,189,590	68,571,013	126,616,411
2022-23	38,271,387	10,468,228	155,002	112,776	1,082,527	2,365,947	882,712	4,347,688	64,576,410	122,262,677
2021-22	35,810,946	9,381,335	182,475	116,647	335,996	1,748,918	444,670	2,009,560	57,969,864	108,000,411
2020-21	33,047,088	8,666,350	149,347	159,901	479,241	1,979,569	185,779	2,187,056	57,710,522	104,564,853
2019-20	31,124,002	8,270,789	160,975	191,397	508,978	2,632,620	219,239	2,276,197	49,248,445	94,632,642
2018-19	31,255,925	7,849,693	258,938	390,284	546,004	1,634,994	374,573	1,529,417	47,423,369	91,263,197
2017-18	28,775,279	7,479,531	145,952	83,229	379,044	1,947,060	228,308	2,013,767	46,775,323	87,827,493
2016-17	26,298,277	7,476,305	134,340	60,363	383,286	1,952,158	227,596	2,508,787	47,773,424	86,814,536
2015-16	25,713,685	7,247,877	128,556	30,051	319,238	1,887,874	138,056	1,670,611	46,644,090	83,780,038

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

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

Table 5

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

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1)	Percent of Delinquent Taxes to Tax Levy
2024-25	\$ 40,907,777	\$ 38,837,669	94.94%	\$ 182,163	\$ 39,019,832	95.38%	\$ 4,890,547	11.96%
2023-24	40,711,731	39,886,429	97.97%	229,544	40,115,973	98.54%	4,841,432	11.89%
2022-23	39,713,416	38,651,657	97.33%	252,455	38,904,112	97.96%	4,528,278	11.40%
2021-22	37,370,050	36,532,960	97.76%	101,584	36,634,544	98.03%	4,814,435	12.88%
2020-21	34,955,086	33,907,541	97.00%	173,420	34,080,961	97.50%	5,233,629	14.97%
2019-20	33,288,666	32,043,223	96.26%	101,596	32,144,819	96.56%	4,494,676	13.50%
2018-19	32,948,802	32,161,771	97.61%	104,256	32,266,027	97.93%	4,187,829	12.71%
2017-18	30,535,084	29,717,045	97.32%	110,615	29,827,660	97.68%	3,749,643	12.28%
2016-17	28,049,095	27,267,139	97.21%	82,924	27,350,063	97.51%	3,634,099	12.96%
2015-16	27,548,852	26,677,079	96.84%	170,543	26,847,622	97.45%	3,232,106	11.73%

(1) Includes penalty and interest.

Table 6

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

Fiscal Year	Real Estate	Personal Property and Mobile Home	Machinery and Tools	Public Service (2)	Total
2024-25	\$ 3,122,166,100	\$ 499,373,707	\$ 350,020,454	\$ 148,110,597	\$ 4,119,670,858
2023-24	3,093,290,950	496,305,040	359,740,008	139,324,955	4,088,660,953
2022-23	3,036,147,200	501,905,066	318,635,475	121,820,183	3,978,507,924
2021-22	2,977,599,900	413,442,372	301,191,744	178,056,052	3,870,290,068
2020-21	2,786,596,625	368,610,820	290,271,558	149,943,179	3,595,422,182
2019-20	2,601,630,003	351,551,716	275,139,003	138,554,825	3,366,875,547
2018-19	2,575,140,103	342,672,126	280,377,041	138,533,409	3,336,722,679
2017-18	2,550,432,050	332,759,391	260,827,009	145,064,073	3,289,082,523
2016-17	2,537,515,050	319,208,214	236,896,594	149,228,267	3,242,848,125
2015-16	2,524,308,875	308,155,852	228,505,168	144,390,827	3,205,360,722

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

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

Table 7

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

Fiscal Year	Real Estate	Personal Property	Machinery and Tools	Mobile Homes
2024-25	\$ 0.74	\$ 2.35	\$ 1.50	\$ 0.74
2023-24	0.74	2.35	1.50	0.74
2022-23	0.74	2.35	1.50	0.74
2021-22	0.74	2.35	1.50	0.74
2020-21	0.77	2.35	1.50	0.77
2019-20	0.77	2.35	1.50	0.77
2018-19	0.77	2.35	1.50	0.77
2017-18 (2)	0.64/0.77	2.35	1.50	0.64
2016-17	0.64	2.35	1.50	0.64
2015-16	0.64	2.35	1.50	0.64

(1) Per \$100 of assessed value.

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

Table 8

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

Fiscal Year	Population (1)	Assessed Value (in Thousands) (2)	Gross Bonded Debt (3)	Net Bonded Debt	Ratio of	
					Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2024-25	33,706	\$ 4,119,671	\$ 40,398,781	\$ 40,398,781	0.98%	\$ 1,199
2023-24	33,706	4,088,661	44,106,562	44,106,562	1.08%	1,309
2022-23	33,706	3,978,508	47,655,923	47,655,923	1.20%	1,414
2021-22	33,706	3,870,290	51,611,569	51,611,569	1.33%	1,531
2020-21	33,800	3,595,422	55,432,788	55,432,788	1.54%	1,640
2019-20	34,872	3,366,876	59,704,155	59,704,155	1.77%	1,712
2018-19	34,872	3,336,723	63,874,793	63,874,793	1.91%	1,832
2017-18	34,872	3,289,083	66,528,621	66,528,621	2.02%	1,908
2016-17	34,872	3,242,848	22,709,144	22,709,144	0.70%	651
2015-16	34,872	3,205,361	20,094,769	20,094,769	0.63%	576

(1) Bureau of the Census.

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

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

Table 9

County of Pulaski, Virginia

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

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2024-25	\$ 3,822,065	\$ 1,438,690	\$ 5,260,755	\$ 139,328,929	3.78%
2023-24 (2)	3,672,128	1,578,197	5,250,325	124,401,894	4.22%
2022-23	4,070,866	1,749,496	5,820,362	113,070,511	5.15%
2021-22	3,853,487	1,897,585	5,751,072	100,345,168	5.73%
2020-21	4,271,367	2,055,266	6,326,633	98,874,413	6.40%
2019-20	4,170,638	2,222,850	6,393,488	90,774,161	7.04%
2018-19	4,177,665	2,190,675	6,368,340	87,662,663	7.26%
2017-18	2,482,797	738,402	3,221,199	85,029,029	3.79%
2016-17	2,433,902	819,279	3,253,181	84,235,084	3.86%
2015-16	7,095,430	873,626	7,969,056	87,336,168	9.12%

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

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

COMPLIANCE SECTION



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Pulaski, Virginia as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County of Pulaski, Virginia's basic financial statements and have issued our report thereon dated April 10, 2026.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001, 2025-002, and 2025-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

County of Pulaski, Virginia's Response to Findings

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

Purpose of This Report

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

Robinson, Jarmon, Cox, Associates

Blacksburg, Virginia
April 10, 2026



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Robinson Jarmon, Cox, Associates

Blacksburg, Virginia
April 10, 2026

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

Federal Grantor/State Pass Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
Department of Health and Human Services:				
Pass through Payments:				
Virginia Department of Social Services:				
Temporary Assistance for Needy Families (TANF)	93.558	400124/400125	\$ 454,085	
<i>CCDF Cluster:</i>				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	760124/760125		92,574
MaryLee Allen Promoting Safe and Stable Families Program	93.556	950123/950124/90120		21,255
Refugee and Entrant Assistance - State/Replacement Designee Administered Programs	93.566	500125		1,360
Low-Income Home Energy Assistance	93.568	600424/600425		93,578
Stephanie Tubbs Jones Child Welfare Services Program	93.645	900123/900124		1,603
Foster Care - Title IV-E	93.658	1100123/1100124		332,511
Adoption Assistance	93.659	1120124/1120125		736,442
Social Services Block Grant	93.667	1000124/1000125		496,533
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150123/9150124		6,495
Children's Health Insurance Program	93.767	0540124/0540125		8,133
<i>Medicaid Cluster:</i>				
Medical Assistance Program	93.778	1200124/1200125		634,399
Guardianship Assistance	93.090	1110124/1110125		601
Title IV-E Prevention Program	93.472	1140124/1140125		12,858
Chafee Education and Training Vouchers Program (ETV)	93.599	9160123		(2,510)
Total Department of Health and Human Services			\$ 2,889,917	
Department of Agriculture:				
Pass through Payments:				
Virginia Department of Agriculture:				
Child Nutrition Discretionary Grants Limited Availability	10.579	DOE868040000	\$ 38,167	
<i>Child Nutrition Cluster:</i>				
Virginia Department of Education:				
Summer Food Service Program for Children	10.559	APE603020000; APE603030000	\$ 81,108	
Virginia Department of Agriculture:				
Summer Food Service Program for Children (Note 3)	10.559	Unknown	3,498	\$ 84,606
National School Lunch Program (Note 3)	10.555	Unknown	\$ 299,434	
Virginia Department of Education:				
National School Lunch Program (NSLP)	10.555	APE402540000	1,955,887	2,255,321
School Breakfast Program (SBP)	10.553	APE402530000		927,757
<i>Total Child Nutrition Cluster</i>				
Child and Adult Care Food Program (CACFP)	10.558	APE700270000; APE700280000		3,267,684
<i>Forest Service Schools and Roads Cluster:</i>				
Schools and Roads - Grants to States	10.665	APE438410000		3,324
Virginia Department of Social Services:				
<i>SNAP Cluster:</i>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	10124/10125 40124/40125		722,699
Total Department of Agriculture			\$ 4,076,270	
Department of Justice:				
Pass through Payments:				
Virginia Department of Criminal Justice Services:				
Crime Victim Assistance	16.575	15POVC22GG00681ASSI	\$ 115,752	
Edward Byrne Memorial Justice Assistance Act Grant Program	16.738	15PBJA21GG00258MUMU		3,200
Public Safety Partnership and Community Policing Grants	16.710	Unknown		204,828
Total Department of Justice			\$ 323,780	
Department of Education:				
Pass through Payments:				
Virginia Department of Education:				
Title I: Grants to Local Educational Agencies	84.010	APE428920000; APE4289261; APE429010000	\$ 1,233,368	
<i>Special Education Cluster:</i>				
Special Education - Grants to States	84.027	APE430710000	\$ 1,419,193	
Special Education - Preschool Grants	84.173	APE625210000	34,719	
<i>Total Special Education Cluster</i>				
Career and Technical Education - Basic Grants to States	84.048	APE600310000; APE600311005		1,453,912
Supporting Effective Instruction State Grant	84.367	APE614800000		97,762
Student Support and Academic Enrichment Program	84.424	APE601550000; APE602810000		77,121
Education for Homeless Children and Youth	84.196	Unknown		299,765
Comprehensive Literacy State Development	84.371	APE60150116		26,191
<i>Education Stabilization Fund:</i>				
COVID-19 - American Rescue Plan-Elementary and Secondary School Emergency Relief	84.425U	APE501930000		34,455
Total Department of Education			\$ 440,295	\$ 3,662,869
Department of Labor:				
Pass through Payments:				
Virginia Community College System:				
<i>WIOA Cluster:</i>				
WIOA Adult Program	17.258	Unknown	\$ 621,814	
WIOA Dislocated Worker Formula Grants	17.278	Unknown	381,407	
WIOA Youth Activities	17.259	Unknown	1,033,963	
<i>Total WIOA Cluster</i>				
Total Department of Labor			\$ 2,037,184	\$ 2,037,184

County of Pulaski, Virginia
Schedule of Expenditures of Federal Awards (continued)
For the Fiscal Year Ended June 30, 2025

Federal Grantor/State Pass Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
Executive Office of the President				
Pass through Payments:				
Appalachia HIDTA				
High Intensity Drug Trafficking Areas Program	95.001	Unknown	\$ 17,488	
Department of Homeland Security:				
Pass through Payments:				
Virginia Department of Emergency Management:				
Emergency Management Performance Grants	97.042	EMP-2024-EP-05008	\$ 16,904	
Homeland Security Grant Program	97.067	EMW-2024-SS-05162	24,203	
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4831 DRVAP00000001	27,880	
Total Department of Homeland Security			<u>\$ 68,987</u>	
Department of the Treasury:				
Direct Payments:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Not applicable	\$ 91,793	
Pass through Payments:				
Virginia Department of Education:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	APE452770000; APE452900000	252,301	\$ 344,094
Total Federal Expenditures			<u>\$ 13,420,589</u>	<u>\$ 2,037,184</u>

Notes to Schedule of Expenditures of Federal Awards

Note 1 -- Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Pulaski, Virginia under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Pulaski, Virginia, it is not intended to and does not present the financial position, changes in net

Note 2 -- Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass through entity identifying numbers are presented where available.
- (3) The County did not elect to use the 15-percent de minimis indirect cost rate allowed under Uniform Guidance.

Note 3 -- Food Donation

Nonmonetary assistance is reported in the schedule at the fair market value of commodities received and disbursed. At June 30, 2025, the County had no food commodities in inventory.

Note 4 -- Outstanding Balance of Federal Loans

The County did not have any loans or loan guarantees which are subject to reporting requirements for the current year.

Note 5 -- Donated Personal Protective Equipment (PPE) "unaudited":

The County did not receive any donated items during the year.

Note 6 -- Relationship to the Financial Statements:

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

Intergovernmental federal revenues per the basic financial statements:

Primary Government:

General Fund

Less: Payments from Commonwealth and Other Local Governments

Add: Direct Payments to New River Valley Regional Commission

Less: Payments in Lieu of Taxes

Total Primary Government

Component Unit School Board:

School Operating Fund

\$ 17,001,827

(13,025,660)

2,037,184

(66,331)

\$ 5,947,020

\$ 7,473,569

Total federal expenditures per the Schedule of Expenditures of Federal Awards

\$ 13,420,589

Section I - Summary of Auditors' Results

Financial Statements

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

Federal Awards

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

<u>Assistance Listing #</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555/10.556/10.559/10.582	Child Nutrition Cluster
93.778	Medical Assistance Program
93.659	Adoption Assistance
84.027/84.173	Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
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Auditee qualified as low-risk auditee?	No
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Section II - Financial Statement Findings

<u>2025-001</u>	<u>Material Weakness</u>
Criteria:	General and subsidiary ledgers should be reconciled on a timely basis, and financial reporting systems should produce accurate interim and year-end financial information.
Condition:	The Finance Department maintains its accounting information in Munis while the Treasurer's Office utilizes BAI-Bright. Accordingly, a batch upload process and reconciliations between the systems are necessary to ensure the County's financial statements are correct. This process was not performed timely throughout the fiscal year, resulting in a delay in the monthly close and reporting process.
Effect:	The County has been unable to close months in the system in a timely manner; therefore, interim reporting was inaccurate and the annual close process was delayed significantly.
Cause:	The monthly close and reconciliation process have not been performed timely.
Recommendation:	The County should implement a monthly close process with defined timing parameters so that all Departments are aware of the close requirements. The monthly close process should occur within 30 days after month end. Alternatively, the systems could be integrated.
Management's Response:	Management concurs. County staff has offered assistance to the Treasurer's office to develop reconciliations to BAI-Bright or Munis instead of the manual ledger system. Once the Treasurer's reconciliation is complete, the County staff will develop a reconciliation between Munis and BAI-Bright.

Section II - Financial Statement Findings (Continued)

2025-002	Material Weakness
Criteria:	Bank reconciliations should be performed by the Treasurer monthly to the County's accounting software (Munis). Any reconciling items (outstanding checks, deposits in transit, etc.) should be supported by a detailed listing of items that can be tested and substantiated.
Condition:	A complete set of accounting records is maintained in Munis; however, the monthly bank reconciliation is prepared and agreed to a manual ledger and BAI-Bright instead. We noted during our audit that the bank reconciliation did not agree to Munis and required an adjustment of approximately \$306,000 by the consultants because the reconciliation included a duplicated amount that was unsubstantiated.
Effect:	The monthly and annual financial statements could contain significant errors.
Cause:	Munis is not utilized to assist in performing the monthly bank reconciliation and reconciliations are not performed in a timely manner.
Recommendation:	The Treasurer's office in conjunction with the Finance Department should develop a process to reconcile the bank accounts to the County's accounting software (Munis).
Management's Response:	Management concurs. County Finance staff have offered assistance to the Treasurer to develop Bank reconciliations to the County's system of record. The County will continue to attempt to work with the Treasurer's Office to improve the timeliness, accuracy, and coordination of the reconciliation process to ensure alignment with the County's official accounting records.
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2025-003	
Criteria:	An auditee should have sufficient controls in place to produce financial statements in accordance with applicable standards.
Condition:	The financial statements as presented for audit, did not contain all necessary adjustments to comply with generally accepted accounting principles (GAAP). As such, proposed adjustments that were material to the financial statements were necessary.
Effect:	There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected by the County's internal controls over financial reporting.
Cause:	The County does not have proper controls in place to detect and correct adjustments in closing their year end financial statements.
Recommendation:	The County should review the auditors' proposed audit adjustments for the fiscal year and develop a plan to ensure the trial balances and related schedules are accurately presented for audit.
Management's Response:	The County will review the auditors' proposed audit adjustments for the fiscal year and will develop a plan of action to ensure that all adjusting entries are made prior to final audit fieldwork next year.

Section III - Federal Award Findings and Questioned Costs

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

2024-001

Condition: The County maintains accounting systems in the Treasurer's Office and the County Office that are not integrated. Accordingly, a batch upload process and reconciliations between the systems are necessary to ensure the County's financial statements are correct.

Recommendation: The County should implement a monthly close process with defined timing parameters so that all Departments are aware of the close requirements. The monthly close process should occur within 30 days after month end. Alternatively, the systems could be integrated.

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

2024-002

Condition: The monthly bank reconciliation is prepared and agreed to a manual ledger rather than Munis. We noted during our audit that the bank reconciliation did not agree to the County's accounting software and required an initial adjustment of approximately \$290,000. Upon further review by management, the adjustment was reduced to approximately \$17,000.

Recommendation: The Treasurer's office in conjunction with the County should develop a process to reconcile the bank accounts to the County's accounting software (Munis).

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