



Annual Financial Report

Fiscal Year Ending June 30, 2024

Prepared by the Department of Finance

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INTRODUCTORY SECTION

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COUNTY OF SURRY, VIRGINIA

ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

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COUNTY OF SURRY, VIRGINIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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COUNTY OF SURRY, VIRGINIA
FOR THE YEAR ENDED JUNE 30, 2024

Board of Supervisors

Robert Elliott, Jr., Chairperson

Walter Hardy
Amy Drewry

William T. Calhoun
Breyon Pierce

Social Services Board

Eunice Gay, Chairperson

Elva Clayton
Honorable Judy S. Lyttle
Eliza Drew

Glenn Slade
Linda B. Ellis

County School Board

Laura Ruffin, Chairperson

Roxanne Marr-Shears
Valencia Jones Williams

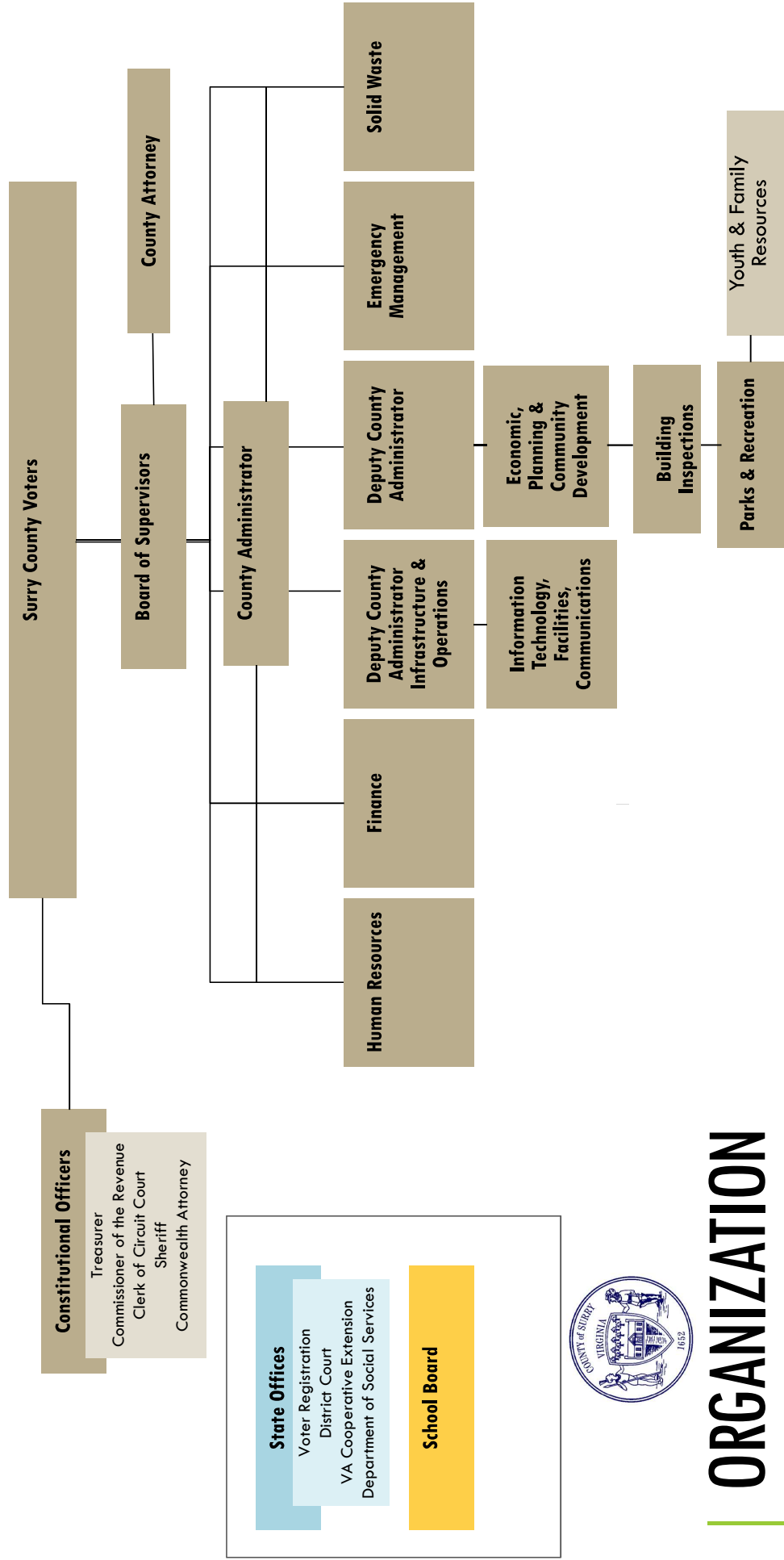
Faye C. Perkins
Sophenia Pierce

Other Officials

Judge of the Circuit Court
Clerk of the Circuit Court
Commonwealth's Attorney
Commissioner of the Revenue
Treasurer
Sheriff
Superintendent of Schools
Director of Social Services
County Administrator
Judge of the General District Court
Judge of the Juvenile and Domestic Relations Court
County Attorney

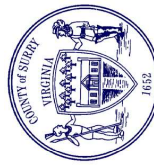
W. Allan Sharrett
Gail P. Clayton
Derek A. Davis
Jonathan F. Judkins
Onike Ruffin
Carlos Turner
Dr. Serbrenia J. Sims
Valerie E. Pierce
Melissa Rollins
Elbert D. Mumphery
Jacqueline R. Waymack
Lola Rodriquez Perkins

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State Offices
 Voter Registration
 District Court
 VA Cooperative Extension
 Department of Social Services

School Board



ORGANIZATION CHART

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County of Surry

BOARD OF SUPERVISORS
ROBERT ELLIOTT JR.
BREYON PIERCE
WILLIAM T. CALHOUN
WALTER HARDY



COUNTY ADMINISTRATOR
MELISSA D. ROLLINS

Founded 1652

The Honorable Members of the Board of Supervisors
County of Surry, Virginia

Members of the Board:

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of Surry County (the "County") for the fiscal year ended June 30, 2024. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a reasonable understanding of the County's financial affairs have been included.

The management of the County is responsible for establishing and maintaining an internal control structure to ensure the protection of County assets. In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

In addition to these internal accounting controls, the County also maintains budgetary controls. These budgetary controls ensure compliance with provisions embodied in the adopted budget appropriated by the Board of Supervisors. All subsidiary funds are included in the appropriated budget.

As a recipient of federal and state financial assistance, the County is also responsible for maintaining internal controls that comply with applicable laws and regulations. The audit for fiscal year ended June 30, 2024 has been completed and no material internal control weaknesses or material violations of laws and regulations have been identified.

The County adopts an annual budget by July 1st each year as required by §15.2-2503, *Code of Virginia, 1950, as amended*. When necessary, the Board of Supervisors approves amendments to the adopted budget in accordance with §15.2-2507, *Code of Virginia, 1950, as amended*. The budget is implemented through Board-approved appropriations, with supplemental appropriations made as required. The Board of Supervisors has the authority, except for expenditures for mandated programs, to appropriate amounts greater than or less than the adopted budget.

Section 15.2-2511 of the *Code of Virginia, 1950, as amended* requires that local governments have their financial records audited annually as of the end of the fiscal year by independent certified public accountants. The independent audit provides reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2024 are free of material misstatement. Robinson, Farmer Cox Associates (RFCA) is contracted to perform this service and have issued an unmodified opinion on the County's financial statements for the fiscal year. The independent auditor's report is located at the front of the Financial Section of this report.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management Discussion & Analysis (MD&A). It can be found immediately following the report of the independent auditors. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government and its Services

Formed in 1652, the County of Surry is strategically located in southeastern Virginia, 10 miles south of Williamsburg, 50 miles southeast of Richmond and 40 miles northwest of Norfolk. The County covers 306 square miles and has a 2024 estimated population of 6,579. The greater portion of the County's land area remains rural, and residential growth has not greatly rebounded from the economic slowdown. The County is governed by a five-member Board of Supervisors elected by districts. The Board has overall administrative and legislative responsibilities including levying taxes, appropriating funds, approving and enforcing the County's Comprehensive Plan, making and enforcing ordinances and establishing policies. The County Administrator is appointed to implement the policy decisions of the Board and to direct the day-to-day activities of the County. In addition to the Board, elected constitutional officers in the County government include the Clerk of Circuit Court, Commissioner of the Revenue, Commonwealth's Attorney, Sheriff and Treasurer. The operation of the public school system is vested in a five-member elected School Board. The Board of Supervisors makes monthly appropriations to the School Board based upon the adopted budget. Since the School Board is fiscally dependent on the County, the financial statements of Surry County Public Schools are included as a component unit of the County in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14.

The County provides a range of municipal services including education, public safety (sheriff, animal control, building inspections, emergency services, volunteer fire departments and paid/volunteer rescue services), parks, recreation & cultural activities, public works, health and welfare administration, planning & community development and general administrative services. In addition, the County provides water services to residential and commercial customers in the Towns of Dendron and Surry.

The operation of the utilities systems is an enterprise fund, which means that it should be self-supporting, and is accounted for separately from the County's general operating fund.

Local Economy

The County's unemployment rate increased to 3.1% in June 2024 from its 2023 level of 2.7%. The 2024 rate is consistent with the Virginia rate of 3.0%. These larger employers include a nuclear power plant, state & local government, construction and manufacturing.

Surry County's economy continues to be shaped by its rural character, natural resources, and proximity to major employment centers in the Hampton Roads and Richmond metropolitan areas. Agriculture, forestry, and energy production remain foundational to the local economy, while the County also benefits from tourism, small business development, and access to regional labor markets. The County's workforce participation reflects a strong concentration in the prime working-age population, with approximately 34% of the workforce between the ages of 24 and 44. This demographic strength supports long-term economic vitality and provides opportunities for sustained growth.

Major economic drivers include Dominion Energy's Surry Nuclear Power Plant, which provides significant employment opportunities and a stable source of revenue for the County. Agriculture remains a critical sector, with family farms and agribusiness operations producing soybeans, corn, cotton, and livestock. In addition, the County is positioning itself for economic diversification through investments in infrastructure, broadband expansion, and strategic planning aimed at attracting new businesses and enhancing quality of life.

Tourism also plays a growing role, supported by Surry's rich history, natural beauty, and proximity to Jamestown and Williamsburg. The County's unique assets, such as Chippokes State Park and the James River ferry connection, continue to attract visitors and contribute to the local economy.

Looking forward, the County is committed to fostering an environment that supports economic development, encourages entrepreneurship, and retains young professionals. Strategic initiatives, combined with conservative financial management, are designed to ensure that Surry County remains resilient and well-positioned for future opportunities.

Long-Term Financial Planning

The County employs a financial advisor as necessary to assist in planning for long-term financial and capital needs of the County. The Capital Improvements Plan (CIP) is the County's strategy for investing in facilities, equipment and other sizeable improvements. Current capital projects are funded through a combination of committed fund balance and debt proceeds. Debt service payments are budgeted in the County's annual operating budget, including that of the School Board Component Unit

Financial policies relative to debt as a percentage of assessed value and general fund expenditures help guide the Board's policymaking decisions on financing capital projects. The County has adopted a policy that states that the net debt ratio as a percentage of assessed value shall not exceed 3%. The General fund balance represents available current financial resources, although the Board's policy assigns 25% of the following fiscal year's budgeted General Fund and School Operating budgets, net

of transfers, as well as amounts already committed, as unavailable for spending. Uses of the unrestricted fund balance are carefully evaluated to ensure that cash flow requirements are met, and an overall sound financial position is maintained.

Multi-Year Initiatives and Capital Projects

In addition to providing essential services, the County completed several multi-year initiatives and capital projects during fiscal year 2024. These included:

- Continued implementation of the **Tyler Munis Enterprise Resource Planning (ERP) system**, improving financial transparency and operational efficiency.
- **Paving projects** throughout the County to strengthen transportation infrastructure and enhance mobility.
- **Solid waste site improvements**, including upgrades to facilities and collection areas to improve service delivery and environmental stewardship.
- **Investments in major equipment and infrastructure** to ensure long-term reliability and support for public services.
- In **February 2024**, the County held a **ribbon cutting for the new mobile radio communication system**, representing a significant step forward in public safety

These initiatives demonstrate the County's commitment to fiscal responsibility, infrastructure renewal, and efficient service delivery. Each investment reflects careful financial planning and a forward-looking approach to supporting the needs of citizens while maintaining a strong financial position.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Surry County for its Annual Comprehensive Financial Report (ACFR) for the fiscal years 2012 through 2023. This prestigious award is the highest form of recognition in governmental accounting and financial reporting, and it reflects the County's commitment to transparency and high standards in financial management.

Due to the timing of the FY2024 audit, which was extended in part by the implementation of the new Enterprise Resource Planning (ERP) system, the County will not be submitting its ACFR for award consideration this year. However, management remains committed to resuming participation in the GFOA program and to maintaining the same standards of excellence in financial reporting that have been recognized for over a decade.

Acknowledgements

The preparation of this report could not be accomplished without the dedicated services of the Finance Department staff, as well as the Commissioner of the Revenue, Treasurer and their staffs. We would like to express our appreciation to these departments and to the many other County departments who provided assistance to Robinson, Farmer, Cox Associates in preparation of a favorable financial report.

We also give credit to the Board of Supervisors for their support, guidance and establishment of policies that further enhance sound financial management practices and operations.



Melisa D. Rollins
County Administrator



Carol Swindell
Interim Director of Finance

FINANCIAL SECTION

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Surry, 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 September 3, 2025 on our consideration of County of Surry, 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 Surry, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Surry, Virginia's internal control over financial reporting and compliance.



Richmond, Virginia
September 3, 2025

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Surry County, Virginia MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the County of Surry, Virginia we offer readers of the County's financial statements this overview and analysis of the County's financial activities for the fiscal year ended June 30, 2024. Readers are encouraged to consider this information in conjunction with that in the letter of transmittal.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's financial statements. The County's basic financial statements consist of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide statements report information about the County using accounting methods similar to those used by private sector companies (as required under governmental reporting, GASB Statement No. 34). Government wide financial statements consist of the *Statement of Net Position* and the *Statement of Activities*, which include all the government's assets, deferred outflows, liabilities, deferred inflows, revenues and expenses using the accrual basis of accounting. All of the current year's transactions are taken into account regardless of when cash is received or paid.

The *Statement of Net Position* presents information on all of the County's assets and deferred outflows, liabilities and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In the *Statement of Net Position* and the *Statement of Activities*, the County's financial activities are divided into three categories:

- *Governmental activities* include most of the County's basic services, including but not limited to, public safety, general government & judicial administration, public works, health and welfare, community development and parks & recreation. These activities are financed by local tax revenue; other local revenue; state revenues, including grants; and federal revenues, primarily for welfare administration and public assistance.
- *Business-type activities* include user fees charged to customers to help cover the costs of certain services it provides. The County's Utilities Fund is included here.
- *Component units* consist of the school operating fund (including the cafeteria fund) and economic development fund. The County is financially accountable for these component units and provides operating support from local tax revenue.

Fund Financial Statements

Fund financial statements provide detailed information about the County's more significant funds. Funds are used to monitor specific sources of funding and spending for particular purposes. Some are required by state law; others are established to control and manage funds allocated for specific purposes. All of the County's funds can be divided into two categories: *governmental funds* and *proprietary funds*.

Surry County, Virginia
MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental funds account for essentially the same functions or services reported as governmental activities in the government-wide financial statements, with the exception of the method of accounting. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the focus of governmental funds is more narrow than that of the government-wide financial statements, reconciliation between the two methods is provided at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenses and changes in fund balances.

The County maintains budgetary control over its operating funds. Budgetary controls ensure legal compliance to the appropriations. To demonstrate compliance with the budget, a budgetary comparison statement is provided for the General Fund to include variance information. The County's major governmental funds include the General Fund and the Capital Projects Fund.

Proprietary funds consist of enterprise funds. Enterprise funds are established to provide for the delivery of goods and services to the general public similar to private sector business. The Utilities Fund provides a centralized source for water services to County residents.

Notes to the financial statements

The notes provide additional information essential to a full understanding of the data included in the government-wide and fund financial statements. The notes also contain required supplementary information including budgetary comparison schedules and combining financial statements for the discretely presented component unit that includes the School Fund and the Cafeteria Fund. The School Board does not issue separate financial statements. The Economic Development Authority Fund is also reported as a component unit.

Required Supplementary Information

In addition to basic financial statements and notes, this report also presents budgetary comparison schedules.

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Surry County, Virginia
MANAGEMENT'S DISCUSSION AND ANALYSIS

The *Statement of Net Position* serves as a useful indicator over time of financial position. The County's governmental assets and deferred outflows of resources at June 30, 2024 exceeded liabilities and deferred inflows of resources by \$28.9 million, while business assets exceeded liabilities by \$3.6 million. The following table provides comparative information on the County's net position as of June 30, 2024 and June 30, 2023.

County of Surry, Virginia's Net Assets

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 30,992,295	\$ 30,473,618	\$ 192,354	\$ 94,870	\$ 31,184,649	\$ 30,568,488
Capital assets	29,015,094	25,674,907	3,380,703	3,491,108	32,395,797	29,166,015
Total assets	\$ 60,007,389	\$ 56,148,525	\$ 3,573,057	\$ 3,585,978	\$ 63,580,446	\$ 59,734,503
Pension related items	\$ 626,561	\$ 927,422	\$ -	\$ -	\$ 626,561	\$ 927,422
OPEB related items	138,904	159,590	-	-	138,904	159,590
Total deferred outflows of revenue	\$ 765,465	\$ 1,087,012	\$ -	\$ -	\$ 765,465	\$ 1,087,012
Current liabilities	\$ 2,948,929	\$ 1,777,146	\$ 27,148	\$ 35,205	\$ 2,976,077	\$ 1,812,351
Long-term liabilities:						
Due within one year	1,727,769	1,675,920	-	-	1,727,769	1,675,920
Due in more than one year	21,615,062	23,572,749	-	-	21,615,062	23,572,749
Total liabilities	\$ 26,291,760	\$ 27,025,815	\$ 27,148	\$ 35,205	\$ 26,318,908	\$ 27,061,020
Deferred revenue-property taxes	\$ 24,196	\$ 27,406	\$ -	\$ -	\$ 24,196	\$ 27,406
Pension related items	661,333	1,178,852	-	-	661,333	1,178,852
OPEB related items	71,366	68,434	-	-	71,366	68,434
Total deferred inflow of resources	\$ 756,895	\$ 1,274,692	\$ -	\$ -	\$ 756,895	\$ 1,274,692
Net investment in capital assets	\$ 23,321,831	\$ 14,328,126	\$ 3,380,703	\$ 3,491,108	\$ 26,702,534	\$ 17,819,234
Restricted for grants	109,978	-	-	-	109,978	-
Unrestricted	10,292,390	14,606,904	165,206	59,665	10,457,596	14,666,569
Total net position	\$ 33,724,199	\$ 28,935,030	\$ 3,545,909	\$ 3,550,773	\$ 37,270,108	\$ 32,485,803

Unrestricted net position of governmental activities account for \$33.7 million or 30.5% of the County's total governmental net position and are used to meet the County's ongoing obligations. \$109,978 of net position relates to grant monies that will carry over to FY2025. The remaining governmental assets are investment in capital assets (e.g. land, buildings, systems, machinery & equipment and infrastructure), less accumulated depreciation and any debt used to acquire those assets outstanding at year-end. The County uses these capital assets to provide services to citizens, so they are not available for future spending.

Surry County, Virginia
MANAGEMENT'S DISCUSSION AND ANALYSIS

County of Surry, Virginia's Changes in Net Position

	Governmental Activities		Business-type Activities		Totals	Totals
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 479,550	\$ 732,422	\$ 150,732	\$ 96,695	\$ 630,282	\$ 829,117
Operating grants and contributions	3,629,726	3,434,535	-	-	3,629,726	3,434,535
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
General property taxes	27,443,951	26,295,256	-	-	27,443,951	26,295,256
Other local taxes	2,148,839	1,701,749	-	-	2,148,839	1,701,749
Grants and other contributions not restricted	774,693	729,905	-	-	774,693	729,905
Other general revenues	2,305,151	1,655,576	-	-	2,305,151	1,655,576
Total revenues	\$ 36,781,910	\$ 34,549,443	\$ 150,732	\$ 96,695	\$ 36,932,642	\$ 34,646,138
Expenses:						
General government administration	\$ 5,657,566	\$ 3,487,373	\$ -	\$ -	\$ 5,657,566	\$ 3,487,373
Judicial administration	1,239,939	1,020,879	-	-	1,239,939	1,020,879
Public safety	4,573,412	5,403,117	-	-	4,573,412	5,403,117
Public works	1,740,218	1,824,385	196,236	275,356	1,936,454	2,099,741
Health and welfare	2,972,716	2,996,979	-	-	2,972,716	2,996,979
Education	13,281,762	13,034,202	-	-	13,281,762	13,034,202
Parks, recreation, and cultural	867,270	645,770	-	-	867,270	645,770
Community development	1,147,041	1,079,793	-	-	1,147,041	1,079,793
Interest and other fiscal charges	472,177	509,196	-	-	472,177	509,196
Total expenses	\$ 31,952,101	\$ 30,001,694	\$ 196,236	\$ 275,356	\$ 32,148,337	\$ 30,277,050
Transfers	\$ (40,640)	\$ (82,100)	\$ 40,640	\$ 82,100	\$ -	\$ -
Change in net position	\$ 4,789,169	\$ 4,465,649	\$ (4,864)	\$ (96,561)	\$ 4,784,305	\$ 4,369,088
Net position, beginning of year	28,935,030	24,469,381	3,550,773	3,647,334	32,485,803	28,116,715
Net position, end of year	\$ 33,724,199	\$ 28,935,030	\$ 3,545,909	\$ 3,550,773	\$ 37,270,108	\$ 32,485,803

The *Statement of Activities* illustrates the general revenue sources that support the various governmental operations. Governmental activities increased the County's net position by \$4.8 million, from \$28.9 million at June 30, 2023 to \$33.7 million at June 30, 2024. Key factors associated with the increase in net position include:

- General property taxes increased by \$1.1M or 4.4% from FY23 to FY24. This increase is due in part to new construction.
- Other local taxes increased by \$447,090 or 26.3%, primarily due to a large increase in local sales tax revenue.
- Other general revenue increased by \$649,575 or 39.2%, primarily due to an increases in both investment earnings

Surry County, Virginia
MANAGEMENT'S DISCUSSION AND ANALYSIS

and ambulance billing revenue.

- Charges for services decreased by \$198,835 or 24.0%, This decrease was driven by a loss of one-time building related revenue, partially offset by increases in other user fees.
- Total expenses decreased by \$1.8M or 6.0%, mostly due to an increase in General Government Administration costs.

In FY24 the net position of the County's business-type activities remained relatively level at \$3.6 million. The table on the preceding page shows the revenues and expenses of the governmental and business-type activities.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County of Surry uses fund accounting to demonstrate compliance with statutory budgetary requirements. The following is a financial analysis of the County's governmental funds.

The County's total revenues from the General Fund were \$34.7 million for the fiscal year ended June 30, 2024. General Fund revenue increased 2.7%, or \$0.91 million in FY24. General property taxes, the largest source of revenue, were \$26.66 million, including public service corporation taxes (\$15.56 million), real estate taxes (\$8.48 million) and personal property taxes (\$2.51 million). Approximately 77% of the County's revenue from governmental activities is derived from property taxes, as shown below in the table of Revenue Classified by Source.

Other local taxes is comprised primarily of local sales tax, business and vehicle licenses, utility consumption taxes and recordation tax. The second largest local revenue source, other local taxes, totaled \$2.2 million in FY24. This amount represented an increase of \$447,090, or 26.2% from the previous year. This increase was primarily due to an increase in local sales tax revenue.

	Revenue Classified by Source - General Fund					
	June 30, 2024		June 30, 2023		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
General Property Taxes	\$26,661,751	76.76%	\$26,112,350	77.20%	\$549,401	2.10%
Other Local Taxes	2,148,839	6.19%	1,701,749	5.03%	447,090	26.27%
Permits, Fees & Regulatory Licenses	144,310	0.42%	482,391	1.43%	-338,081	-70.08%
Fines & Forfeitures	35,186	0.10%	51,006	0.15%	-15,820	-31.02%
Revenue from Use of Money & Property	695,478	2.00%	576,921	1.71%	118,557	20.55%
Charges for Services	300,054	0.86%	199,025	0.59%	101,029	50.76%
Miscellaneous	229,744	0.66%	404,639	1.20%	-174,895	-43.22%
Recovered Costs	151,696	0.44%	155,742	0.46%	-4,046	-2.60%
Intergovernmental:						
Commonwealth	3,142,389	9.05%	2,933,368	8.67%	209,021	7.13%
Federal	1,224,411	3.53%	1,206,052	3.57%	18,359	1.52%
Total Revenues	\$34,733,858	100.00%	\$33,823,243	100.00%	\$910,615	2.69%

Intergovernmental revenues allocated by the state and federal governments totaled \$4.4 million during FY24, which reflects an increase of \$227,380 or 5.5%. Revenue from the commonwealth for non-categorical aid decreased by \$300 or 0.04% in FY24. Non-categorical aid is not earmarked for a specific program and may be used for the general operation of the local government. The bulk of non-categorical aid is the state reimbursement for personal property tax relief of \$677,907. Shared expenses (the state share of the operation of the constitutional offices and electoral board/registrar) increased by

Surry County, Virginia
MANAGEMENT'S DISCUSSION AND ANALYSIS

\$131,610, or 10.9%, while the other categorical aid consisting of welfare administration, children's services act and federal & state grants increased by \$77,711 or 8.1%. This increase was primarily due to increases in support of children's services and tourism costs.

Governmental Funds Expenditure Analysis

The following table of Expenditures by Function compares current year to prior year amounts. The accompanying analysis provides additional information on the County's expenses by function that changed significantly over the prior year.

	Expenditures by Function - General Fund					
	June 30, 2024		June 30, 2023		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
General Government Administration	\$3,850,932	12.23%	\$3,205,228	10.87%	\$645,704	20.15%
Judicial Administration	930,678	2.96%	779,714	2.64%	150,964	19.36%
Public Safety	4,965,928	15.77%	4,229,664	14.35%	736,264	17.41%
Public Works	1,679,806	5.33%	1,613,048	5.47%	66,758	4.14%
Health & Welfare	3,034,178	9.64%	3,043,022	10.32%	-8,844	-0.29%
Education	13,101,763	41.61%	12,864,200	43.63%	237,563	1.85%
Parks, Recreation & Cultural	628,599	2.00%	538,986	1.83%	89,613	16.63%
Community Development	1,020,055	3.24%	922,539	3.13%	97,516	10.57%
Debt Service: Principal Retirement	1,610,000	5.11%	1,565,000	5.31%	45,000	2.88%
Debt Service: Interest Retirement	667,944	2.12%	720,505	2.44%	-52,561	-7.30%
Total Expenditures	\$31,489,883	100.00%	\$29,481,906	100.00%	\$2,007,977	6.81%

The County's total General Fund expenditures of \$31.5 million for the fiscal year ended June 30, 2024 covered a wide range of services, with 41.61% or \$13.1 million for education (payments to the School System, a component unit), 15.77% or \$5.0 million for public safety, 9.64% or \$3.0 million for health and welfare services, 7.23% or \$2.28 million to retire existing debt service, 12.23% or \$3.9 million related to general government administration, and 5.33% or \$1.7 million for public works. The remaining 8.19% includes expenditures for parks & recreation, community development, and judicial administration.

The General Fund is the main operating fund of the County. Primarily, the County's ending fund balance at June 30th is used to fund financial obligations of the County from July 1st through December 5th of each year, when the County receives its largest influx of revenue in the form of general property taxes. Prior to December 5th only minimal revenues such as federal and state reimbursements, fees for services, permits and fines are routinely received. Therefore, not all of the \$10.29 million in unrestricted net position noted in Exhibit 1 of the CAFR is available for spending at the County's discretion. In short, the County depends on its fund balance, or reserves, for cash flow at certain times during the fiscal year.

The County's current financial policy has established an assigned fund balance of 25% of General Fund and School Fund appropriated expenditures (net of transfers), and the Board of Supervisors also assigns fund balance for various purposes throughout the year. Fund balance is reserved for unspent grants that are restricted to certain uses. At June 30, 2024, the restricted fund balance was \$109,978 and the unassigned fund balance was \$10,022,438 of the total fund balance.

The Capital Projects Fund consists of the non-operating expenditures and reflects the capital needs of the County. Capital expenditures are not recurring operating expenditures, but one-time significant expenditures for the construction of buildings & infrastructure or the purchase of large equipment & vehicles.

Surry County, Virginia
MANAGEMENT'S DISCUSSION AND ANALYSIS

The FY24 capital expenditures totaled \$ 5,961,203.49, including these projects:

- New fire apparatus - \$ 64,252.65 or 1.1%
- School capital projects - \$ 68,843.73 or 1.2%
- New public safety radio system - \$ 3,534,682.90 , or 59.3%
- New financial management system - \$ 532,780.65 , or 8.9%
- Major maintenance projects - \$ 456,859.11 , or 7.7%
- Vehicle replacement - \$ 253,293.23 , or 4.2%
- Records books preservation - \$ 80,627.50 , or 1.4%
- Technology upgrades - \$ 194,982.67 , or 3.3%
- Property Acquisition and Construction -\$ 749,211.63 or 12.6%
- Miscellaneous other projects -- \$ 25,667.49 , or 0.4%..

General Fund Budgetary Highlights

Surry County has consistently taken a conservative approach to financial management, staying well within budgetary limits for expenditures during the fiscal year. FY24 resulted in General Fund operating expenditures of \$386,858 below the revised budget. The County's budget was amended during the year to reflect grants, carryover of unspent appropriations from FY23 and other unanticipated revenues. The difference between the original adopted budget and the amended budget was \$396,989 or 1.3%.

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental operations as of June 30, 2024 totaled \$29.0 million (net of accumulated depreciation). This represents a net increase of \$3.3 million, due primarily to construction in progress. The investment in capital assets includes land and land improvements, buildings, infrastructure and machinery & equipment. Additional information on the County's capital assets can be found in Note 5 of this report.

Long-Term Debt - At the end of the current fiscal year, the County had total debt outstanding of \$19.8 million, excluding bond premiums, compensated absences, and landfill post-closure liability. Of this amount, \$1.4 million comprises net pension and other post-employment benefit liabilities. The remainder of the County's debt represents bonds secured solely by specified revenue sources through revenue bonds and lease revenue bonds.

The amount of debt outstanding related to School Board activities is \$1.25 million of the total outstanding general obligation bonds of the governmental activities.

During the current fiscal year, the County's total debt decreased by \$1.6 million, excluding bond premiums, compensated absences and landfill post-closure liability.

Additional information on the County of Surry, Virginia's long-term debt can be found in Note 7 of this report.

Surry County, Virginia
MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for the County for the fiscal year ending June 30, 2024 was 3.1%, an increase of 15.% from the same period last year. Generally, the County's unemployment rate remains slightly above the state's average.
- The FY24 operating budget for all funds is \$59.3 million (including transfers to other funds), a decrease of 0.4% from the FY23 revised budget. The FY24 Capital budget is \$17.9 million, an increase of 66% from the FY23 capital budget.
- Tax rates for future periods are dependent on the effects of fluctuations in the assessed valuations of public service corporations and real property.
- For FY2024, the real property tax rate is \$0.71 per \$100 of assessed value.

Requests for Information

This financial report is designed to provide all those with an interest in the County's finances with a general overview of the finances and to demonstrate the County's stewardship of public funds. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, Post Office Box 65, Surry, Virginia 23883.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	EDA
ASSETS					
Cash and cash equivalents	\$ 12,525,141	\$ 54,259	\$ 12,579,400	\$ 1,850,082	\$ 136,507
Receivables (net of allowance for uncollectibles):					
Taxes receivable	1,279,572	-	1,279,572	-	-
Accounts receivable	160,918	138,095	299,013	-	-
Due from component unit	1,712,770	-	1,712,770	-	-
Due from other governmental units	602,964	-	602,964	2,027,499	35,000
Restricted assets:					
Bond construction escrow	14,710,930	-	14,710,930	-	-
Capital assets (net of accumulated depreciation/amortization):					
Land and land improvements	1,853,478	3,636	1,857,114	158,330	-
Buildings and system	16,580,693	3,377,067	19,957,760	4,853,015	-
Equipment	1,975,511	-	1,975,511	3,307,898	-
Lease equipment	-	-	-	43,002	-
Improvements	3,249,154	-	3,249,154	-	-
Construction in progress	5,356,258	-	5,356,258	495,672	-
Total assets	\$ 60,007,389	\$ 3,573,057	\$ 63,580,446	\$ 12,735,498	\$ 171,507
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	\$ 626,561	\$ -	\$ 626,561	\$ 2,453,150	\$ -
OPEB related items	138,904	-	138,904	309,542	-
Total deferred outflows of resources	\$ 765,465	\$ -	\$ 765,465	\$ 2,762,692	\$ -
LIABILITIES					
Accounts payable	\$ 1,650,352	\$ 27,148	\$ 1,677,500	\$ 231,169	\$ -
Accrued liabilities	-	-	-	621,094	-
Accrued interest payable	171,533	-	171,533	-	-
Unearned revenue	1,127,044	-	1,127,044	66,977	-
Due to primary government	-	-	-	1,712,770	-
Long-term liabilities:					
Due within one year	1,727,769	-	1,727,769	22,109	-
Due in more than one year	21,615,062	-	21,615,062	10,645,020	-
Total liabilities	\$ 26,291,760	\$ 27,148	\$ 26,318,908	\$ 13,299,139	\$ -
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - property taxes	\$ 24,196	\$ -	\$ 24,196	\$ -	\$ -
Pension related items	661,333	-	661,333	1,626,517	-
OPEB related items	71,366	-	71,366	445,626	-
Total deferred inflows of resources	\$ 756,895	\$ -	\$ 756,895	\$ 2,072,143	\$ -
NET POSITION					
Net investment in capital assets	\$ 23,321,831	\$ 3,380,703	\$ 26,702,534	\$ 8,812,553	\$ -
Restricted for:					
Grants	109,978	-	109,978	-	-
Unrestricted (deficit)	10,292,390	165,206	10,457,596	(9,655,108)	171,507
Total net position (deficit)	\$ 33,724,199	\$ 3,545,909	\$ 37,270,108	\$ 126,908	\$ 171,507

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

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

Functions/Programs	Expenses	Program Revenues			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
PRIMARY GOVERNMENT:					
Governmental activities:					
General government administration	\$ 5,657,566	\$ 36	\$ 412,192	\$ -	
Judicial administration	1,239,939	40,647	488,112	-	
Public safety	4,573,412	405,485	776,694	-	
Public works	1,740,218	10,985	16,552	-	
Health and welfare	2,972,716	-	1,917,631	-	
Education	13,281,762	-	-	-	
Parks, recreation, and cultural	867,270	22,397	18,545	-	
Community development	1,147,041	-	-	-	
Interest on long-term debt	472,177	-	-	-	
Total governmental activities	\$ 31,952,101	\$ 479,550	\$ 3,629,726	\$ -	
Business-type activities:					
Water and sewer	\$ 196,236	\$ 150,732	\$ -	\$ -	
Total business-type activities	\$ 196,236	\$ 150,732	\$ -	\$ -	
Total primary government	\$ 32,148,337	\$ 630,282	\$ 3,629,726	\$ -	
COMPONENT UNITS:					
School Board	\$ 18,259,606	\$ 63,560	\$ 6,677,348	\$ -	
Economic Development Authority	236,941	-	-	-	
Total component units	\$ 18,496,547	\$ 63,560	\$ 6,677,348	\$ -	
General revenues:					
General property taxes					
Other local taxes:					
Local sales and use taxes					
Motor vehicle licenses					
Business licenses					
Other local taxes					
Unrestricted revenues from use of money					
Miscellaneous					
Payments from Surry County					
Grants and contributions not restricted to specific programs					
Transfers					
Total general revenues and transfers					
Change in net position					
Net position (deficit) - beginning					
Net position (deficit) - ending					

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	School Board	EDA
\$ (5,245,338)		\$ (5,245,338)		
(711,180)		(711,180)		
(3,391,233)		(3,391,233)		
(1,712,681)		(1,712,681)		
(1,055,085)		(1,055,085)		
(13,281,762)		(13,281,762)		
(826,328)		(826,328)		
(1,147,041)		(1,147,041)		
(472,177)		(472,177)		
<u>\$ (27,842,825)</u>		<u>\$ (27,842,825)</u>		
	\$ (45,504)	\$ (45,504)		
	<u>\$ (45,504)</u>	<u>\$ (45,504)</u>		
		<u>\$ (27,888,329)</u>		
			\$ (11,518,698)	\$ -
			-	(236,941)
			<u>\$ (11,518,698)</u>	<u>\$ (236,941)</u>
\$ 27,443,951	\$ -	\$ 27,443,951	\$ -	\$ -
1,566,395	-	1,566,395	-	-
127,149	-	127,149	-	-
220,120	-	220,120	-	-
235,175	-	235,175	-	-
1,484,549	-	1,484,549	373	52
820,602	-	820,602	189,586	-
-	-	-	13,177,830	235,000
774,693	-	774,693	-	62,500
(40,640)	40,640	-	-	-
<u>\$ 32,631,994</u>	<u>\$ 40,640</u>	<u>\$ 32,672,634</u>	<u>\$ 13,367,789</u>	<u>\$ 297,552</u>
\$ 4,789,169	\$ (4,864)	\$ 4,784,305	\$ 1,849,091	\$ 60,611
28,935,030	3,550,773	32,485,803	(1,722,181)	110,896
<u>\$ 33,724,199</u>	<u>\$ 3,545,909</u>	<u>\$ 37,270,108</u>	<u>\$ 126,910</u>	<u>\$ 171,507</u>

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FUND FINANCIAL STATEMENTS

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

	<u>General</u>	<u>County Capital Projects</u>	<u>Other Governmental</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 5,651,833	5,840,782	\$ 1,086,235	\$ 12,578,850
Receivables (net of allowance for uncollectibles):				
Taxes receivable	1,279,572	-	-	1,279,572
Accounts receivable	160,918	-	-	160,918
Due from component unit	1,712,770	-	-	1,712,770
Due from other governmental units	602,964	-	-	602,964
Restricted assets:				
Bond construction funds	14,710,930	-	-	14,710,930
Total assets	<u>\$ 24,118,987</u>	<u>\$ 5,840,782</u>	<u>\$ 1,086,235</u>	<u>\$ 31,046,004</u>
LIABILITIES				
Accounts payable	\$ 777,087	\$ 870,264	\$ 3,001	\$ 1,650,352
Reconciled overdraft payable	-	-	53,709	53,709
Unearned revenue	1,127,044	-	-	1,127,044
Total liabilities	<u>\$ 1,904,131</u>	<u>\$ 870,264</u>	<u>\$ 56,710</u>	<u>\$ 2,831,105</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	\$ 1,246,107	\$ -	\$ -	\$ 1,246,107
Unavailable revenue-opioid settlement	113,452	-	-	113,452
Total deferred inflows of resources	<u>\$ 1,359,559</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,359,559</u>
FUND BALANCES				
Restricted	\$ 109,978	\$ -	\$ -	\$ 109,978
Committed	-	4,970,518	1,083,234	6,053,752
Assigned	10,022,438	-	-	10,022,438
Unassigned (deficit)	10,722,881	-	(53,709)	10,669,172
Total fund balances	<u>\$ 20,855,297</u>	<u>\$ 4,970,518</u>	<u>\$ 1,029,525</u>	<u>\$ 26,855,340</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 24,118,987</u>	<u>\$ 5,840,782</u>	<u>\$ 1,086,235</u>	<u>\$ 31,046,004</u>

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

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

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds \$ 26,855,340

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

Capital assets cost	\$ 50,065,800	
Accumulated depreciation	<u>(21,050,706)</u>	29,015,094

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

Unavailable revenue - property taxes	\$ 1,221,911	
Unavailable revenue - opioid settlement	<u>113,452</u>	1,335,363

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

Pension related items	\$ 626,561	
OPEB related items	<u>138,904</u>	765,465

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:

General obligation bonds	\$ (1,045,000)	
Revenue bond	(18,420,000)	
Bond issuance premiums	(939,193)	
Net OPEB liability	(462,098)	
Net pension liability	(923,018)	
Compensated absences	(677,694)	
Landfill postclosure care	(875,828)	
Accrued interest payable	<u>(171,533)</u>	(23,514,364)

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

Pension related items	\$ (661,333)	
OPEB related items	<u>(71,366)</u>	(732,699)

Net position of governmental activities	<u><u>\$ 33,724,199</u></u>
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The notes to the financial statements are an integral part of this statement.

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

	<u>General</u>	<u>County Capital Projects</u>	<u>Other Governmental</u>	<u>Total</u>
REVENUES				
General property taxes	\$ 26,661,751	\$ -	\$ -	\$ 26,661,751
Other local taxes	2,148,839	-	-	2,148,839
Permits, privilege fees, and regulatory licenses	144,310	-	-	144,310
Fines and forfeitures	35,186	-	-	35,186
Revenue from the use of money and property	695,478	789,033	38	1,484,549
Charges for services	300,054	-	-	300,054
Miscellaneous	229,744	508,292	82,566	820,602
Recovered costs	151,696	-	-	151,696
Intergovernmental:				
Commonwealth	3,142,389	-	-	3,142,389
Federal	1,224,411	-	-	1,224,411
Total revenues	<u>\$ 34,733,858</u>	<u>\$ 1,297,325</u>	<u>\$ 82,604</u>	<u>\$ 36,113,787</u>
EXPENDITURES				
Current:				
General government administration	\$ 3,850,932	\$ -	\$ -	\$ 3,850,932
Judicial administration	930,678	-	-	930,678
Public safety	4,965,928	-	1,506	4,967,434
Public works	1,679,806	-	-	1,679,806
Health and welfare	3,034,178	-	-	3,034,178
Education	13,101,763	-	-	13,101,763
Parks, recreation, and cultural	628,599	-	-	628,599
Community development	1,020,055	-	103,426	1,123,481
Capital projects	-	5,961,205	-	5,961,205
Debt service:				
Principal retirement	1,610,000	-	-	1,610,000
Interest and other fiscal charges	667,944	-	-	667,944
Total expenditures	<u>\$ 31,489,883</u>	<u>\$ 5,961,205</u>	<u>\$ 104,932</u>	<u>\$ 37,556,020</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 3,243,975</u>	<u>\$ (4,663,880)</u>	<u>\$ (22,328)</u>	<u>\$ (1,442,233)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 2,739,000	\$ 80,000	\$ 2,819,000
Transfers out	(2,859,640)	-	-	(2,859,640)
Total other financing sources (uses)	<u>\$ (2,859,640)</u>	<u>\$ 2,739,000</u>	<u>\$ 80,000</u>	<u>\$ (40,640)</u>
Net change in fund balances	\$ 384,335	\$ (1,924,880)	\$ 57,672	\$ (1,482,873)
Fund balances - beginning	20,470,962	6,895,398	971,853	28,338,213
Fund balances - ending	<u>\$ 20,855,297</u>	<u>\$ 4,970,518</u>	<u>\$ 1,029,525</u>	<u>\$ 26,855,340</u>

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

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

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

Net change in fund balances - total governmental funds	\$	(1,482,873)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is a summary of items supporting this adjustment:

Capital asset additions	\$ 4,964,541	
Depreciation expense	(1,417,250)	
Activity related to joint tenancy assets of Component Unit and Primary Government	<u>(77,300)</u>	3,469,991

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

Property taxes	\$ 782,200	
Opioid settlement	<u>35,257</u>	817,457

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

Loss on disposal of capital assets		(129,804)
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The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The following is a summary of items supporting this adjustment:

Principal retired on school general obligation bonds	\$ 180,000	
Principal retired on lease revenue bond	1,430,000	
Bond premium amortization	<u>180,247</u>	1,790,247

Special contributions received from the Commonwealth for group life insurance, are not reported in the governmental funds.

2,362

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.

The following is a summary of items supporting this adjustment:

Decrease (increase) in compensated absences	\$ (18,497)	
Pension expense	368,416	
OPEB expense	(15,671)	
Decrease (increase) in landfill postclosure care	(27,979)	
Decrease (increase) in accrued interest payable	<u>15,520</u>	321,789

Change in net position of governmental activities

\$ 4,789,169

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

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

	Enterprise Fund <u>Water and Sewer</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 54,259
Accounts receivable, net of allowance for uncollectibles	138,095
Total current assets	<u>\$ 192,354</u>
Noncurrent assets:	
Capital assets:	
Land and land improvements	\$ 3,636
Utility plant in service	4,176,247
Equipment	119,992
Accumulated depreciation	(919,172)
Total net capital assets	<u>\$ 3,380,703</u>
Total noncurrent assets	<u>\$ 3,380,703</u>
Total assets	<u>\$ 3,573,057</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 27,148
Total current liabilities	<u>\$ 27,148</u>
Total liabilities	<u>\$ 27,148</u>
NET POSITION	
Investment in capital assets	\$ 3,380,703
Unrestricted	<u>165,206</u>
Total net position	<u>\$ 3,545,909</u>

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

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

	Enterprise Fund <u>Water and Sewer</u>
OPERATING REVENUES	
Charges for services:	
Water and sewer revenues	\$ 150,732
Total operating revenues	<u>\$ 150,732</u>
OPERATING EXPENSES	
Other supplies and expenses	\$ 85,831
Depreciation	110,405
Total operating expenses	<u>\$ 196,236</u>
Operating income (loss)	<u>\$ (45,504)</u>
Income (loss) before transfers	<u>\$ (45,504)</u>
Transfers in	<u>\$ 40,640</u>
Change in net position	\$ (4,864)
Net position - beginning	3,550,773
Net position - ending	<u><u>\$ 3,545,909</u></u>

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

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

	Enterprise Fund Water and Sewer
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 61,656
Payments to suppliers	(93,888)
Net cash provided by (used for) operating activities	<u>\$ (32,232)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	<u>\$ 40,640</u>
Net increase (decrease) in cash and cash equivalents	\$ 8,408
Cash and cash equivalents - beginning	45,851
Cash and cash equivalents - ending	<u><u>\$ 54,259</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	<u>\$ (45,504)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	\$ 110,405
(Increase) decrease in accounts receivable	(89,076)
Increase (decrease) in accounts payable	(8,057)
Total adjustments	<u>\$ 13,272</u>
Net cash provided by (used for) operating activities	<u><u>\$ (32,232)</u></u>

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

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

Custodial Funds

ASSETS

Cash and cash equivalents
Total assets

\$	314,810
\$	314,810

NET POSITION

Restricted for:

Special welfare
Other governments
Total net position

\$	64,514
	250,296
\$	314,810

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

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

	<u>Custodial Funds</u>
ADDITIONS	
Contributions:	
Donations	\$ 86,606
Investment earnings:	
Interest and dividends	35
Total additions	<u>\$ 86,641</u>
DEDUCTIONS	
Purchases for supplies	<u>\$ 64,383</u>
Total deductions	<u>\$ 64,383</u>
Net increase (decrease) in fiduciary net position	<u>\$ 22,258</u>
Net position, beginning	<u>\$ 292,552</u>
Net position, ending	<u><u>\$ 314,810</u></u>

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

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COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements As of June 30, 2024

Note 1—Summary of Significant Accounting Policies:

The County of Surry, Virginia (the "County") is governed by an elected five-member Board of Supervisors. The County provides a full range of services for its citizens. These services include police and fire protection, sanitation services, recreational activities, cultural events, education, and social services.

The financial statements of the County of Surry, Virginia have been prepared in conformity with accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board and the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia. The more significant of the government's accounting policies are described below.

Financial Statement Presentation

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements - The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities but also capital assets and long-term liabilities (such as buildings and general obligation debt).

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. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and nonexchange transactions, 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.

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

Statement of Activities - The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

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; 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and 3) capital grants and contributions. 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 are reported as separate columns in the fund financial statements.

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued) As of June 30, 2024

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

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

A. Financial Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for the basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present the County of Surry (the primary government) and its component units. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is both legally and substantively separate from the government.

B. Individual Component Unit Disclosures

Blended Component Unit. The County has no blended component units at June 30, 2024.

Discretely Presented Component Units. The School Board members are elected by the citizens of Surry County. The School Board is responsible for the operations of the County's School System within the County boundaries. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Fund does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2024.

The Surry County Economic Development Authority (EDA) is responsible for industrial and commercial development in the County. The Authority consists of five members appointed by the Board of Supervisors. The Authority is fiscally dependent on the County, as the County is involved in the day-to-day operations of the EDA and the EDA has the potential for financial benefit or burden to the County. Therefore, the EDA is included in the County's financial statements as a discrete presentation for the year ended June 30, 2024. The Authority does not issue a separate financial report.

C. Other Related Organizations Included in the County's Financial Report

None

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

C. Other Related Organizations Included in the County's Financial Report (Continued)

Excluded from the County's Annual Financial Report

District 19 Community Services Board

The District 19 Community Services Board is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. The governing body of this organization is appointed by the participating jurisdictions which include the Cities of Colonial Heights, Emporia, Hopewell, Petersburg and the Counties of Surry, Greensville, Prince George and Sussex. The governing board has the ability to execute contracts and to budget and expend funds. No one locality contributes more than 50% of the Board's funding or has oversight responsibility over its operations. Surry County contributed \$88,644 to the District 19 Community Services Board for the fiscal year ended June 30, 2024.

Riverside Regional Jail

The Riverside Regional Jail is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. The governing body of this organization is appointed by respective governing bodies of the participating jurisdictions. The governing board has the ability to execute contracts and to budget and expend funds. No one locality contributes more than 50% of the Board's funding or has oversight responsibility over its operations.

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

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, health and welfare, etc.) which are otherwise being supported by general government revenues, (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, health and welfare, etc.) or a business-type activity.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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 and subscription liabilities, as well as expenditures related to compensated absences, claims and judgments, postemployment benefits, and environmental obligations are recognized later based on specific accounting rules applicable to each, generally 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 statements.

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 within two months 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 cash is received by the government.

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.

1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. The County reports the General and County Capital Project Funds as major governmental funds.

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued) As of June 30, 2024

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

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

1. Governmental Funds (Continued)

General Fund - is the primary operating fund of the County. This fund is used to account and report all financial transactions and resources except those required to be accounted for and reported in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income. A significant part of the General Fund's revenues is used principally to finance the operations of the Component Unit School Board.

Capital Projects Fund - The Capital Projects Fund accounts for and reports financial resources that are restricted, committed or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments.

The County reports the following nonmajor governmental funds:

Special Revenue Funds - Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Fiduciary Funds - (Trust and Custodial Funds) - Account for assets held by the County in a trustee capacity or as a custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds which consist of the Special Welfare Fund, the Crater AAA Fund, and the Emergency Food and Shelter Fund. These funds utilize the accrual basis of accounting described in the Governmental Fund Presentation. Fiduciary funds are not included in the government-wide financial statements.

2. Proprietary Funds - accounts for operations that are financed in a manner similar to private business enterprises. The Proprietary Fund measurement focus is upon determination of net income, financial position, and changes in financial position. Proprietary Funds consist of Enterprise Funds.

Enterprise Funds - Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The County's Enterprise Funds consist of the Water and Sewer Fund, which account for the operations of sewage pumping stations and collection systems, and the water distribution system, as well as, construction of water and sewer systems.

E. 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.

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

F. Investments

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

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements.

G. Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$341,724 at June 30, 2024 and is comprised of property taxes of \$3,590 and water and sewer charges of \$338,134.

Real and Personal Property Tax Data:

The tax calendars for real and personal property taxes are summarized below.

	<u>Real Property</u>	<u>Personal Property</u>
Levy	January 1	January 1
Due Date	December 5	December 5
Lien Date	January 1	January 1

The County bills and collects its own property taxes.

H. Capital Assets

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

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

H. Capital Assets (Continued)

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

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

Assets	Years
Buildings	40
Buildings and Improvements	40
Infrastructure	40
Furniture, Vehicles, Office and Computer Equipment	5-20
Buses	10
Lease equipment	5

I. Leases

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

Lessee

The School Board recognizes lease liabilities and intangible right-to-use lease assets (leased equipment) with an initial value of \$5,000, individually or in the aggregate in the government-wide financial statements. At the commencement of the lease, the lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease liability is reduced by the principal portion of payments made. The leased equipment is measured at the initial amount of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

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

I. Leases (Continued)

Key Estimates and Judgments

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

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

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

J. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. No liability is recorded for nonvesting accumulating rights to received sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as “terminal leave” prior to retirement.

K. 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.

L. 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);

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

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

L. Fund Balance (Continued)

- 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 resolution committing fund balance for a specified purpose by the Board of Supervisors prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Board adopts another ordinance to remove or revise the limitation;
- Assigned fund balance - amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

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

Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of a formal resolution of the Board. Assigned fund balance is also established by Board of Supervisors.

	General Fund	Capital Projects Fund	Other Governmental Funds	Total
Fund Balances:				
Restricted for:				
Radiological Grant	\$ 109,978	\$ -	\$ -	\$ 109,978
Total Restricted Fund Balance	\$ 109,978	\$ -	\$ -	\$ 109,978
Committed:				
Capital Projects	\$ -	\$ 4,970,518	\$ -	\$ 4,970,518
DEA Task Force	-	-	52,393	52,393
Economic Development	-	-	1,030,841	1,030,841
Total Committed Fund Balance	\$ -	\$ 4,970,518	\$ 1,083,234	\$ 6,053,752
Assigned for:				
General Government	\$ 10,022,438	\$ -	\$ -	\$ 10,022,438
Total Assigned Fund Balance	\$ 10,022,438	\$ -	\$ -	\$ 10,022,438
Unassigned	\$ 10,722,881	\$ -	\$ (53,709)	\$ 10,669,172
Total Fund Balances	\$ 20,855,297	\$ 4,970,518	\$ 1,029,525	\$ 26,855,340

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

M. 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 financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County policy to consider restricted net position to have been depleted before unrestricted net position is applied.

N. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's 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.

O. Other Postemployment Benefits (OPEB)

VRS Plans

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

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

O. Other Postemployment Benefits (OPEB) (Continued)

Medical and Dental Pay-As-You Go

For purposes of measuring the medical and dental pay-as-you go liability, deferred outflows of resources and deferred inflows of resources related to the Plan's OPEB, and the related OPEB expenses, information about the fiduciary net position of the County's and School Board's Medical and Dental Pay- As-You go Plan and the additions to/deductions from the County's and School Board's OPEB Plan's fiduciary net position have been determined on the same basis as they were reported by the actuary. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

P. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and premiums on issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as a debt service expenditure.

Q. 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 one item that qualifies for reporting in this category. It is comprised of certain items related to pension and OPEB. For more detailed information, 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 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, 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 are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued) As of June 30, 2024

Note 2—Stewardship, Compliance, and Accounting:

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

1. On or before March 30th, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, Special Revenue Fund, and the Capital Projects Fund of the primary government and the School Operating Fund and School Cafeteria Fund of the School Board.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units.
8. All budgetary data presented in the accompanying financial statements is the original budget at June 30. Several supplemental appropriations were necessary during the year and at year end because they were not included in the original budget.
9. Expenditures and Appropriations
Expenditures exceeded appropriations in the School Cafeteria Fund at June 30, 2024.

Note 3—Deposits and Investments:

Deposits

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

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 3—Deposits and Investments: (Continued)

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).

Credit Risk of Debt Securities

The County’s rated debt investments as of June 30, 2024 were rated by Standard & Poor’s and the ratings are presented below using the Standard & Poor’s rating scale. The County’s investment policy has an emphasis on safety and liquidity of investments. The County’s policy is to invest where funds are readily available with little risk of penalties for early withdrawal.

County's Rated Debt Investments' Values	
<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>
	<u>AAAm</u>
Local Government Investment Pool	\$ 14,710,930
Virginia State Non-Arbitrage Pool	<u>11,676,357</u>
Total	<u>\$ 26,387,287</u>

Interest Rate Risk

According to the County’s investment policy, no more than 50% of the portfolio may be invested in securities maturing in greater than 1 year.

Investment Maturities (in years)		
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>
Local Government Investment Pool	\$14,710,930	\$ 14,710,930
Virginia State Non-Arbitrage Pool	<u>11,676,357</u>	<u>11,676,357</u>
Total	<u>\$26,387,287</u>	<u>\$ 26,387,287</u>

COUNTY OF SURRY, VIRGINIA**Notes to Financial Statements (Continued)****As of June 30, 2024*****Note 3—Deposits and Investments: (Continued)*****External Investment Pool**

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

Note 4—Due to/from Other Governments:

At June 30, 2024, the County has receivables due from other governments as follows:

	Primary Government	Component Unit School Board
Other Local Governments:		
Surry County School Board	\$ 1,712,770	\$ -
Commonwealth of Virginia:		
Local sales tax	329,668	-
State Sales Tax	-	165,302
Constitutional officer reimbursements	104,011	-
Auto rental tax	118	-
Vehicle sharing tax	108	-
Mobile home titling tax	5,579	-
Communications tax	5,270	-
Children's services act	67,548	-
Welfare	25,215	-
E-911 wireless grant	8,881	-
Federal Government:		
School fund grants	-	1,862,197
Welfare	56,566	-
Total due from other governments	<u>\$ 2,315,734</u>	<u>\$ 2,027,499</u>

At June 30, 2024, amounts due to other local governments are as follows

Other Local Governments:		
County of Surry	<u>\$ -</u>	<u>\$ 1,712,770</u>

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 5—Capital Assets:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2024:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
<i>Primary Government:</i>				
<i>Governmental Activities:</i>				
Capital assets not subject to depreciation:				
Land and land improvements	\$ 1,811,163	\$ 42,315	\$ -	\$ 1,853,478
Construction in progress	1,263,075	4,093,183	-	5,356,258
Total capital assets not subject to depreciation	\$ 3,074,238	\$ 4,135,498	\$ -	\$ 7,209,736
Capital assets subject to depreciation:				
Buildings and improvements	\$25,578,229	\$ 285,287	\$ 54,000	\$ 25,809,516
Equipment	9,714,253	410,783	1,645,591	8,479,445
Infrastructure	3,563,900	132,973	-	3,696,873
Jointly owned assets	5,198,251	-	328,021	4,870,230
Total capital assets subject to depreciation	\$44,054,633	\$ 829,043	\$ 2,027,612	\$ 42,856,064
Accumulated depreciation:				
Buildings and improvements	\$ 9,653,721	\$ 648,902	\$ 28,800	\$ 10,273,823
Equipment	7,472,802	572,119	1,540,987	6,503,934
Infrastructure	354,189	93,530	-	447,719
Jointly owned assets	3,973,252	102,699	250,721	3,825,230
Total accumulated depreciation	\$21,453,964	\$ 1,417,250	\$ 1,820,508	\$ 21,050,706
Total capital assets subject to depreciation, net	\$22,600,669	\$ (588,207)	\$ 207,104	\$ 21,805,358
Governmental activities capital assets, net	\$25,674,907	\$ 3,547,291	\$ 207,104	\$ 29,015,094

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COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 5—Capital Assets: (Continued)

A summary of changes in proprietary fund property, plant, and equipment at June 30, 2024 follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
<i>Business-type activities:</i>				
Capital assets not subject to depreciation:				
Land and land improvements	\$ 3,636	\$ -	\$ -	\$ 3,636
Capital assets subject to depreciation:				
Utility Plant in Service	\$ 4,176,247	\$ -	\$ -	\$ 4,176,247
Equipment	119,992	-	-	119,992
Total capital assets subject to depreciation	\$ 4,296,239	\$ -	\$ -	\$ 4,296,239
Accumulated depreciation:				
Utility Plant in Service	\$ 694,774	\$ 104,406	\$ -	\$ 799,180
Equipment	113,993	5,999	-	119,992
Total accumulated depreciation	\$ 808,767	\$ 110,405	\$ -	\$ 919,172
Total capital assets subject to depreciation, net	\$ 3,487,472	\$ (110,405)	\$ -	\$ 3,377,067
Business-type activities capital assets, net	\$ 3,491,108	\$ (110,405)	\$ -	\$ 3,380,703

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COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 5—Capital Assets: (Continued)

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2024:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
<i>Component Unit-School Board:</i>				
Capital assets not subject to depreciation/amortization:				
Land and land improvements	\$ 158,330	\$ -	\$ -	\$ 158,330
Construction in progress	452,547	43,125	-	495,672
Total capital assets not subject to depreciation/amortization	\$ 610,877	\$ 43,125	\$ -	\$ 654,002
Capital assets subject to depreciation/amortization:				
Equipment	\$ 7,708,093	\$ 1,058,702	\$ 1,090,376	\$ 7,676,419
Lease equipment	107,505	-	-	107,505
Building improvement	184,686	59,302	-	243,988
Jointly owned assets	21,584,518	328,021	-	21,912,539
Total capital assets subject to depreciation/amortization	\$ 29,584,802	\$ 1,446,025	\$ 1,090,376	\$ 29,940,451
Accumulated depreciation/amortization:				
Equipment	\$ 4,982,889	\$ 468,720	\$ 1,083,088	\$ 4,368,521
Lease equipment	43,002	21,501	-	64,503
Building improvement	105,982	14,020	27,278	92,724
Jointly owned assets	16,497,991	462,076	(250,721)	17,210,788
Total accumulated depreciation/amortization	\$ 21,629,864	\$ 966,317	\$ 859,645	\$ 21,736,536
Total capital assets subject to depreciation/amortization, net	\$ 7,954,938	\$ 479,708	\$ 230,731	\$ 8,203,915
Component unit school board capital assets, net	\$ 8,565,815	\$ 522,833	\$ 230,731	\$ 8,857,917

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COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 5—Capital Assets: (Continued)

Depreciation/amortization expense was charged to functions/programs as follows:

Governmental activities:	
General government administration	\$ 168,578
Judicial administration	327,522
Public safety	613,609
Public works	53,610
Health and welfare	5,373
Education	102,699
Parks, recreation and cultural	110,369
Community development	35,490
	<hr/>
Total Governmental activities	\$ 1,417,250
	<hr/>
Business-type activities	\$ 110,405
	<hr/>
Component Unit School Board	\$ 966,317
	<hr/>

Legislation enacted during the year ended June 30, 2002, Section 15.2-1800.1 of the Code of Virginia, 1950, as amended, has changed the reporting of local school capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments “on-behalf” of school boards was reported in the school board’s discrete column along with the related capital assets. Under the new law, local governments have a “tenancy in common” with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one fiscal year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the County of Surry, Virginia for the year ended June 30, 2024, is that school financed assets in the amount of \$1,045,000 are reported in the Primary Government for financial reporting purposes.

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Note 6—Interfund Transfers and Obligations:

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ -	\$ 2,859,640
Other governmental funds	80,000	-
County Capital Projects Fund	2,739,000	-
Water and Sewer Fund	40,640	-
Total	<u>\$ 2,859,640</u>	<u>\$ 2,859,640</u>

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

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COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 7—Long Term Obligations:

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

Primary Government:

	Balance at July 1, 2023	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2024	Amounts Due Within One Year
Governmental Activities:					
Incurred by County:					
Compensated absences					
(payload by General Fund)	\$ 659,197	\$ 102,907	\$ 84,410	\$ 677,694	\$ 67,769
Lease revenue bonds	19,850,000	-	1,430,000	18,420,000	1,475,000
Bond premium	1,098,536	-	176,763	921,773	-
Net pension liability					
(payload by General Fund)	1,074,776	2,086,593	2,238,351	923,018	-
Net OPEB liabilities					
(payload by General Fund)	472,407	155,923	166,232	462,098	-
Landfill postclosure care	847,849	27,979	-	875,828	-
Total incurred by County	\$24,002,765	\$ 2,373,402	\$ 4,095,756	\$22,280,411	\$ 1,542,769
Incurred by School Board:					
General obligation bonds	\$ 1,225,000	\$ -	\$ 180,000	\$ 1,045,000	\$ 185,000
Bond premium	20,904	-	3,484	17,420	-
Total incurred by School Board	\$ 1,245,904	\$ -	\$ 183,484	\$ 1,062,420	\$ 185,000
Total Governmental Activities	\$25,248,669	\$ 2,373,402	\$ 4,279,240	\$23,342,831	\$ 1,727,769
Total Primary Government Obligations	\$25,248,669	\$ 2,373,402	\$ 4,279,240	\$23,342,831	\$ 1,727,769

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COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 7—Long Term Obligations: (Continued)

Primary Government: (Continued)

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

Year Ending June 30,	Governmental Activities			
	County Obligations		School Obligations	
	Lease Revenue Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2025	\$ 1,475,000	\$ 562,715	\$ 185,000	\$ 49,309
2026	1,530,000	513,157	200,000	39,010
2027	1,585,000	461,692	210,000	28,305
2028	1,635,000	408,320	220,000	17,340
2029	1,305,000	359,336	230,000	5,865
2030	1,350,000	315,098	-	-
2031	1,400,000	268,179	-	-
2032	1,445,000	222,582	-	-
2033	1,485,000	181,485	-	-
2034	1,525,000	141,314	-	-
2035	1,570,000	99,265	-	-
2036	845,000	65,066	-	-
2037	405,000	44,034	-	-
2038	425,000	26,916	-	-
2039	440,000	9,075	-	-
Total	<u>\$ 18,420,000</u>	<u>\$ 3,678,234</u>	<u>\$ 1,045,000</u>	<u>\$ 139,829</u>

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COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of long-term indebtedness are as follows:

<u>Governmental Activities</u>	<u>Total Amount</u>
<u>Incurring by County:</u>	
<u>Lease Revenue Bonds:</u>	
\$15,795,000 lease revenue bond issued November 18, 2014, payable in various annual installments through October 1, 2027, interest payable semi-annually at 4.125%-5.125%.	\$ 1,385,000
\$5,875,000 lease revenue bond issued November 14, 2018, payable in various annual installments through April 1, 2039, interest payable semi-annually at 3.028%-5.125%.	4,900,000
\$14,830,000 lease revenue bond issued November 18, 2020, payable in various annual installments through October 1, 2035, interest payable semi-annually at 0.404%-5.125%.	12,135,000
Total lease revenue bonds	\$ 18,420,000
Bond issuance premium	\$ 921,773
Landfill postclosure care (Note 18)	\$ 875,828
Net pension liability (payable by General Fund)	\$ 923,018
Net OPEB liabilities (payable by General Fund)	\$ 462,098
Compensated absences (payable by General Fund)	\$ 677,694
Total incurred by County	\$22,280,411
<u>Incurring by School Board:</u>	
<u>General Obligation Bonds:</u>	
\$2,950,000 School Bond issued December 11, 2008 payable in various annual installments through January 15, 2029, interest payable semi-annually ranging from 4.10% to 5.35%.	\$ 1,045,000
Bond issuance premium	\$ 17,420
Total incurred by School Board	\$ 1,062,420
Total Long-Term Obligations, Governmental Activities	\$23,342,831

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 7—Long-Term Obligations: (Continued)

Component Unit - School Board:

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

	Balance at July 1, 2023	Increases	Decreases	Balance at June 30, 2024	Amounts Due Within One Year
Component Unit-School Board:					
Net pension liability	\$ 8,396,119	\$ 4,409,801	\$ 4,253,845	\$ 8,552,075	\$ -
Net OPEB liabilities	2,227,239	515,119	672,668	2,069,690	-
Lease liabilities	66,767	-	21,403	45,364	22,109
Total Component Unit-School Board	<u>\$ 10,690,125</u>	<u>\$ 4,924,920</u>	<u>\$ 4,947,916</u>	<u>\$ 10,667,129</u>	<u>\$ 22,109</u>

Details of long-term indebtedness:

<u>Incurred by Component Unit - School Board:</u>	<u>Total Amount</u>
<u>Lease equipment:</u>	
\$104,819 copier lease issued July 1, 2021, due in monthly installments of \$1,890 through June 2026, interest at 3.25%.	\$ 44,172
\$2,686 office equipment lease issued July 1, 2021, due in monthly installments of \$48 through August 2026, interest at 3.25%.	1,192
	<u>\$ 45,364</u>

Expected future payments at June 30, 2024 are as follows:

Year Ending June 30,	Lease Liabilities	
	Principal	Interest
2025	\$ 22,109	\$ 1,147
2026	23,172	415
2027	83	-
Total	<u>\$ 45,364</u>	<u>\$ 1,562</u>

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)

As of June 30, 2024

Note 8—Deferred/Unavailable Revenue:

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

	Government-wide Statements Governmental Activities	Balance Sheet Governmental Funds
Deferred/Unavailable revenue:		
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 1,221,911
Prepaid property taxes due in December but paid in advance by taxpayers	24,196	24,196
the amount of unspent ARPA grant	1,127,044	1,127,044
Unavailable revenue representing opioid settlement income that is not available for funding of current expenditures	-	113,452
Total	<u>\$ 1,151,240</u>	<u>\$ 2,486,603</u>

Note 9—Commitments and Contingent Liabilities:

Federal programs in which the County and its discretely presented component unit participate were audited in accordance with the provisions of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Pursuant to the provisions of the Uniform 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 disallowance of current grant program expenditures, if any, would be immaterial.

Note 10—Litigation:

At June 30, 2024, there were no matters of litigation involving the County that would materially affect the County's financial position should any court decisions on pending matters not be favorable to such entities.

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued) As of June 30, 2024

Note 11—Risk Management:

The County, the Component Unit School Board, and the Component Unit EDA are exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the government carries insurance.

The County and the School Board are members of the Virginia Municipal Group Self Insurance Association for workers' compensation. This program is administered by a servicing contractor, which furnishes claims review and processing.

Each Association member jointly and severally agrees to assume, pay and discharge any liability. The County and School Board pay Virginia Municipal Group contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the Association and claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the Association may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The County and School Board also participate with other localities in a public entity risk pool for their coverage of general liability and auto insurance with Virginia Municipal League and public officials liability with the Virginia Association of Counties Group Self Insurance Risk Pool. The County and School Board pay an annual premium to the pools for general insurance through member premiums. The County and School Board continue to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 12—Pension Plans:

Plan Description

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

Benefit Structures

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

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

Note 12—Pension Plans: (Continued)

Benefit Structures (Continued)

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

Average Final Compensation and Service Retirement Multiplier

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

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

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

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 12—Pension Plans: (Continued)

Employees Covered by Benefit Terms

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

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	71	74
Inactive members:		
Vested inactive members	13	7
Non-vested inactive members	18	16
Inactive members active elsewhere in VRS	42	11
Total inactive members	73	34
Active members	95	43
Total covered employees	239	151

Contributions

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

The County's contractually required employer contribution rate for the year ended June 30, 2024 was 10.91% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$589,068 and \$558,032 for the years ended June 30, 2024 and June 30, 2023, respectively.

The Component Unit School Board's contractually employer required contribution rate for nonprofessional employees for the year ended June 30, 2024 was 10.69% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$110,190 and \$107,320 for the years ended June 30, 2024 and June 30, 2023, respectively.

Note 12—Pension Plans: (Continued)

Net Pension Liability

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

Actuarial Assumptions - General Employees

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

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

Mortality rates:

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

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

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

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

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

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

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 12—Pension Plans: (Continued)

Actuarial Assumptions - General Employees (Continued)

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

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

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

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

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

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

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 12—Pension Plans: (Continued)

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

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

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

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 12—Pension Plans: (Continued)

Long-Term Expected Rate of Return

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

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

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

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

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 12—Pension Plans: (Continued)

Discount Rate

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

Changes in Net Pension Liability

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2022	\$ 22,353,633	\$ 21,278,857	\$ 1,074,776
Changes for the year:			
Service cost	\$ 570,253	\$ -	\$ 570,253
Interest	1,502,674	-	1,502,674
Differences between expected and actual experience	(74,468)	-	(74,468)
Contributions - employer	-	551,823	(551,823)
Contributions - employee	-	252,341	(252,341)
Net investment income	-	1,359,172	(1,359,172)
Benefit payments, including refunds			
Refunds of employee contributions	(1,324,110)	(1,324,110)	-
Administrative expenses	-	(13,666)	13,666
Other changes	-	547	(547)
Net changes	\$ 674,349	\$ 826,107	\$ (151,758)
Balances at June 30, 2023	\$ 23,027,982	\$ 22,104,964	\$ 923,018

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 12—Pension Plans: (Continued)

Changes in Net Pension Liability (Continued)

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2022	\$ 6,693,427	\$ 6,137,521	\$ 555,906
Changes for the year:			
Service cost	\$ 91,066	\$ -	\$ 91,066
Interest	444,739	-	444,739
Differences between expected and actual experience	(108,849)	-	(108,849)
Contributions - employer	-	107,312	(107,312)
Contributions - employee	-	48,786	(48,786)
Net investment income	-	388,530	(388,530)
Benefit payments, including refunds			
Refunds of employee contributions	(391,521)	(391,521)	-
Administrative expenses	-	(3,976)	3,976
Other changes	-	156	(156)
Net changes	\$ 35,435	\$ 149,287	\$ (113,852)
Balances at June 30, 2023	\$ 6,728,862	\$ 6,286,808	\$ 442,054

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's			
Net Pension Liability (Asset)	\$ 3,798,724	\$ 923,018	\$ (1,390,373)
Component Unit School Board (nonprofessional)'s			
Net Pension Liability (Asset)	\$ 1,188,925	\$ 442,054	\$ (182,956)

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 12—Pension Plans: (Continued)

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

For the year ended June 30, 2024, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$214,443 and (\$105,258), respectively. At June 30, 2024, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 318,797	\$ -	\$ 48,711
Change in assumptions	37,493	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	342,536	-	101,915
Employer contributions subsequent to the measurement date	589,068	-	110,190	-
Total	<u>\$ 626,561</u>	<u>\$ 661,333</u>	<u>\$ 110,190</u>	<u>\$ 150,626</u>

\$589,068 and \$110,190 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2025	\$ (460,669)	\$ (120,478)
2026	(481,155)	(122,735)
2027	306,152	89,052
2028	11,832	3,535
2029	-	-
Thereafter	-	-

Pension Plan Data

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

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued) As of June 30, 2024

Note 12—Pension Plans: (Continued)

Component Unit School Board (professional)

Plan Description

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2024 was 16.62% of covered employee compensation. This was the General Assembly approved rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$1,277,494 and \$1,266,640 for the years ended June 30, 2024 and June 30, 2023, respectively.

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

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

At June 30, 2024, the school division reported a liability of \$8,110,021 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion was 0.08024% as compared to 0.08235% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized pension expense of \$355,501. 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 SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 12—Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience \$	696,658	\$ 316,488
Change in assumptions	367,656	-
Net difference between projected and actual earnings on pension plan investments	-	527,315
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,152	632,088
Employer contributions subsequent to the measurement date	<u>1,277,494</u>	<u>-</u>
Total	<u>\$ 2,342,960</u>	<u>\$ 1,475,891</u>

\$1,277,494 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2025	\$ (516,273)
2026	(618,220)
2027	601,017
2028	123,051
2029	-
Thereafter	-

Actuarial Assumptions

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

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 12—Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions (Continued)

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

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

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

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

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

Note 12—Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

Net Pension Liability

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

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

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

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

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) \$	14,376,175 \$	8,110,021 \$	2,958,727

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued) As of June 30, 2024

Note 12—Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

Pension Plan Fiduciary Net Position

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

Primary Government and Component Unit School Board

Aggregate Pension Information

	Primary Government				Component Unit School Board			
			Net Pension				Net Pension	
	Deferred Outflows	Deferred Inflows	Liability (Asset)	Pension Expense	Deferred Outflows	Deferred Inflows	Liability (Asset)	Pension Expense
VRS Pension Plans:								
Primary Government	\$ 626,561	\$ 661,333	\$ 923,018	\$ 214,443	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	110,190	150,626	442,054	(105,258)
School Board Professional	-	-	-	-	2,342,960	1,475,891	8,110,021	355,501
Totals	\$ 626,561	\$ 661,333	\$ 923,018	\$ 214,443	\$ 2,453,150	\$ 1,626,517	\$ 8,552,075	\$ 250,243

Note 13—Group Life Insurance (GLI) Plan (OPEB PLAN):

Plan Description

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

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

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

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.

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued) As of June 30, 2024

Note 13—Group Life Insurance (GLI) Plan (OPEB PLAN): (Continued)

Benefit Amounts

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

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% ($1.34\% \times 60\%$) and the employer component was 0.54% ($1.34\% \times 40\%$). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2024, was 0.54% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the County were \$32,071 and \$29,611 for the years ended June 30, 2024 and June 30, 2023, respectively.

Contributions to the GLI Plan from the Component Unit School Board professional group were \$43,374 and \$42,964 for the years ended June 30, 2024 and June 30, 2023, respectively. Contributions to the GLI Plan from the Component Unit School Board nonprofessional group were \$6,039 and \$5,871 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$10.1 million to the Group Life Insurance Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. The entity's proportionate share is reflected in the operation grants and contributions of the financial statements.

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 13—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

At June 30, 2024, the County reported a liability of \$279,200 for its proportionate share of the Net GLI OPEB Liability. The Component Unit School Board professional and nonprofessional groups reported liabilities of \$405,128 and \$55,288, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the County's proportion was 0.02328% as compared to 0.02300% at June 30, 2022. At June 30, 2023, the Component Unit School Board professional and nonprofessional groups' proportion was 0.03378% and 0.00461%, respectively as compared to 0.03500% and 0.00480%, respectively at June 30, 2022.

For the year ended June 30, 2024, the County recognized GLI OPEB expense of \$16,439. For the year ended June 30, 2024, the Component Unit School Board professional group recognized GLI OPEB expense of (\$3,726). For the year ended June 30, 2024, the Component Unit School Board nonprofessional group recognized GLI OPEB expense of \$1,459. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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

	Primary Government		Component School Board (professional)		Component School Board (nonprofessional)	
	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	\$ 27,885	\$ 8,475	\$ 40,462	\$ 12,298	\$ 5,522	\$ 1,678
Net difference between projected and actual earnings on GLI OPEB plan investments	-	11,220	-	16,280	-	2,222
Change in assumptions	5,968	19,344	8,660	28,069	1,182	3,831
Changes in proportionate share	15,269	3,216	-	49,874	961	4,313
Employer contributions subsequent to the measurement date	32,071	-	43,374	-	6,039	-
Total	\$ 81,193	\$ 42,255	\$ 92,496	\$ 106,521	\$ 13,704	\$ 12,044

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 13—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)

\$32,071, \$43,374, and \$6,039, respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the County, Component Unit School Board professional and nonprofessional group’s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit School Board (professional)	Component Unit School Board (nonprofessional)
2025	\$ 1,386	\$ (23,110)	\$ (1,422)
2026	(8,014)	(32,575)	(3,084)
2027	6,925	(726)	67
2028	3,293	(2,445)	(137)
2029	3,277	1,457	197
Thereafter	-	-	-

Actuarial Assumptions

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

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

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 13—Group Life Insurance (GLI) Plan (OPEB PLAN): (Continued)

Actuarial Assumptions (Continued)

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 13—Group Life Insurance (GLI) Plan (OPEB PLAN): (Continued)

Actuarial Assumptions (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 13—Group Life Insurance (GLI) Plan (OPEB PLAN): (Continued)

Actuarial Assumptions (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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

Note 13—Group Life Insurance (GLI) Plan (OPEB PLAN): (Continued)

NET GLI OPEB Liability

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

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

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

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COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 13—Group Life Insurance (GLI) Plan (OPEB PLAN): (Continued)

Long-Term Expected Rate of Return

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

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

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

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

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 13—Group Life Insurance (GLI) Plan (OPEB PLAN): (Continued)

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2023, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

		Rate		
		1% Decrease	Current	1% Increase
		(5.75%)	(6.75%)	(7.75%)
County's proportionate share of the GLI Plan				
Net OPEB Liability	\$	413,862	\$ 279,200	\$ 170,325
Component School Board (professional)'s proportionate share of the GLI Plan				
Net OPEB Liability	\$	600,526	\$ 405,128	\$ 247,147
Component School Board (nonprofessional)'s proportionate share of the GLI Plan				
Net OPEB Liability	\$	81,955	\$ 55,288	\$ 33,729

GLI Plan Fiduciary Net Position

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

Note 14—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.

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Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Employees Covered by Benefit Terms

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	12
Vested inactive members	11
Active members	<u>43</u>
Total covered employees	<u><u>66</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 School Board’s contractually required employer contribution rate for the year ended June 30, 2024 was 1.44% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Board to the HIC Plan were \$15,965 and \$15,483 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net HIC OPEB Liability

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

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Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions

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

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

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

- Pre-Retirement:
 Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years
- Post-Retirement:
 Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
- Post-Disablement:
 Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years
- Beneficiaries and Survivors:
 Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years
- Mortality Improvement Scale:
 Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 14—Health Insurance Credit (HIC) 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, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions (Continued)

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

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

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

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COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

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

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

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

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

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Discount Rate

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

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 196,972	\$ 19,526	\$ 177,446
Changes for the year:			
Service cost	\$ 1,073	\$ -	\$ 1,073
Interest	13,158	-	13,158
Differences between expected and actual experience	(98,151)	-	(98,151)
Assumption changes	-	15,483	(15,483)
Net investment income	-	1,543	(1,543)
Benefit payments	(6,214)	(6,214)	-
Administrative expenses	-	(42)	42
Other changes	-	25	(25)
Net changes	\$ (90,134)	\$ 10,795	\$ (100,929)
Balances at June 30, 2023	\$ 106,838	\$ 30,321	\$ 76,517

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)

As of June 30, 2024

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

The following presents the School Board's HIC Plan net HIC OPEB liability using the discount rate of 6.75%, as well as what the 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	Current Discount	1% Increase
		(5.75%)	(6.75%)	(7.75%)
School Board's				
Net HIC OPEB Liability	\$	88,163	\$ 76,517	\$ 66,610

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

For the year ended June 30, 2024, the School Board recognized HIC Plan OPEB expense of (\$11,538). At June 30, 2024, the School Board reported deferred outflows of resources and deferred inflows of resources related to the School Board's HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 80,089
Net difference between projected and actual earnings on HIC OPEB plan investments	419	-
Change in assumptions	7,766	-
Employer contributions subsequent to the measurement date	15,965	-
Total	\$ 24,150	\$ 80,089

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COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 14—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)

\$15,965 reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board’s contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2025	\$ (25,031)
2026	(25,486)
2027	(21,406)
2028	19
2029	-
Thereafter	-

HIC Plan Data

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

Note 15—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.

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued) As of June 30, 2024

Note 15—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Plan Description (Continued)

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2024 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$96,868 and \$95,866 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$4 million to the VRS Teacher HIC Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. The school division's proportionate share is reflected in the operating grants and contributions of the financial statements.

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)

As of June 30, 2024

Note 15—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

At June 30, 2024, the school division reported a liability of \$962,592 its proportionate share of the VRS Teacher Employee HIC Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2023 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion of the VRS Teacher Employee HIC was 0.07950% as compared to 0.08170% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized VRS Teacher Employee HIC OPEB expense of \$37,240. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 42,369
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	483	-
Change in assumptions	22,408	970
Change in proportionate share and differences between actual and expected contributions	17	125,247
Employer contributions subsequent to the measurement date	96,868	-
Total	\$ 119,776	\$ 168,586

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Note 15—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

\$96,868 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2025	\$ (41,267)
2026	(38,983)
2027	(29,754)
2028	(19,427)
2029	(10,690)
Thereafter	(5,557)

Actuarial Assumptions

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

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

Mortality Rates - Teachers

- Pre-Retirement:
 - Pub-2010 Amount Weighted Teacher Employee Rates projected generationally; 110% of rates for males
- Post-Retirement:
 - Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females
- Post-Disablement:
 - Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females
- Beneficiaries and Survivors:
 - Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally
- Mortality Improvement Scale:
 - Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 15—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions (Continued)

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

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

Net Teacher Employee HIC OPEB Liability

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

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

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

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 15—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

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

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

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

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

Note 15—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, 2023, the rate contributed by each school division for the VRS Teacher Employee HIC Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2023 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

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	\$	1,088,799	\$ 962,592	\$ 855,643

Teacher Employee HIC OPEB Fiduciary Net Position

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

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 16—Medical and Dental Pay-As-You-Go (OPEB PLAN):

County and School Board

Plan Description

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

In addition to the pension and other postemployment benefits, the Component Unit School Board administers a single-employer defined benefit healthcare plan, The Surry County Public Schools Postretirement Benefits Plan. The plan provides post-employment health care benefits to all eligible permanent employees who meet the requirements under the School Board’s pension plans. The plan does not issue a publicly available financial report.

Benefits Provided

Postemployment benefits that are provided to eligible retirees include medical and dental insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the County who meet eligibility requirements of the pension plan are eligible to receive post-employment health care benefits. No benefits are provided to Medicare eligible retirees or their spouses.

Postemployment benefits that are provided to eligible retirees include medical and dental insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the School Board who meet eligibility requirements of the pension plan are eligible to receive post-employment health care benefits. Retirees and spouses that became eligible for Medicare are no longer eligible to participate in the Surry County Public School’s retiree medical plan.

Plan Membership

At June 30, 2024 (measurement date), the following employees were covered by the benefit terms:

	Primary Government	Component Unit School Board
Total active employees with coverage	120	183
Total retirees with coverage	1	4
Total	121	187

Contributions

The County nor the School Board pre-funds 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 or School Board. The amount paid by the County and the School Board for OPEB as the benefits came due during the year ended June 30, 2024 was \$10,922 and \$20,310, respectively.

Total OPEB Liability

The County and School Board’s total OPEB liability was measured as of June 30, 2024.

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued) As of June 30, 2024

Note 16—Medical and Dental Pay-As-You-Go (OPEB PLAN): (Continued)

County and School Board: (Continued)

Actuarial Assumptions

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

Inflation	2.50%
Salary Increases	5.35% decreasing to 3.50%
Discount Rate	3.93% based on Bond Buyer 20-Year Bond GO Index

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

Inflation	2.50%
Salary Increases	5.35% decreasing to 3.50%
Discount Rate	3.93% based on Bond Buyer 20-Year Bond GO Index

County -

Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years. Based rates are projected generationally with a Modified MP-2020 improvement Scale that is 75% of the MP-2020 rates, 25% of deaths are assumed to be service-related.

Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 100% of rates for females. Based rates are projected generationally with a Modified P-2020 Improvement Scale that is 75% of the MP-2020 rates.

Post-Disablement: Pub-2010 Amount Weighed General Disabled Rates projected generationally; males and females set forward 3 years. Base rates are projected generationally with a Modified MP-2020 Improvement Sale that is 75% of the MP-2020 rates.

Schools -

Pre-Retirement: RP-2020 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2023; males setback 1 year, 85% of rates; females setback 1 year. 25% of deaths are assumed to be service related.

Post-Retirement: RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2023; males set forward 1 year; females setback 1 year with 1.5% increase compounded from ages 70 to 85.

Post-Disablement: RP-2014 Disabled Mortality Rates projected with Scale BB to 2023; males 115% of rates; females 130% of rates.

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

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)

As of June 30, 2024

Note 16—Medical and Dental Pay-As-You-Go (OPEB PLAN): (Continued)

County and School Board: (Continued)

Discount Rate

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is based on the Bond Buyer 20-Year Bond GO Index. The final equivalent single discount rate used for this year's valuation is 3.93% as of the end of June 30, 2024 with the expectation that the County and School Board will continue paying the pay-as-you-go cost.

Changes in Total OPEB Liability

	Primary Government Total OPEB Liability	Component Unit School Board Total OPEB Liability
Balances at June 30, 2023	\$ 195,104	\$ 550,332
Changes for the year:		
Service cost	22,778	30,625
Interest	7,754	20,838
Effect of economic/demographic gains or losses	(8,867)	-
Changes in assumptions	(22,949)	(11,320)
Benefit payments	(10,922)	(20,310)
Net changes	\$ (12,206)	\$ 19,833
Balances at June 30, 2024	\$ 182,898	\$ 570,165

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

The following amounts present the total OPEB liability of the County and School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.93%) or one percentage point higher (4.93%) than the current discount rate:

	Rate		
	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Primary Government:			
Total OPEB liability	\$ 199,171	\$ 182,898	\$ 167,559
Component Unit School Board:			
Total OPEB liability	\$ 611,095	\$ 570,165	\$ 530,855

Note 16—Medical and Dental Pay-As-You-Go (OPEB PLAN): (Continued)

County and School Board: (Continued)

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

The following presents the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (4.40% decreasing to 2.90%) or one percentage point higher (6.40% decreasing to 4.9%) than the current healthcare cost trend rates:

	Rates		
	Healthcare Cost		
	1% Decrease	Current Trend Rate	1% Increase
Primary Government:			
Total OPEB liability	\$ 156,422	\$ 182,898	\$ 214,416

The following presents the total OPEB liability of the School Board, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.50% decreasing to 2.90%) or one percentage point higher (7.50% decreasing to 3.90%) than the current healthcare cost trend rates:

	Rates		
	Healthcare Cost		
	1% Decrease	Current Trend Rate	1% Increase
Component Unit School Board:			
Total OPEB liability	\$ 498,823	\$ 570,165	\$ 653,832

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COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued)
As of June 30, 2024

Note 16—Medical and Dental Pay-As-You-Go (OPEB PLAN): (Continued)

County and School Board: (Continued)

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

For the year ended June 30, 2024, the County and the School Board recognized OPEB expense in the amount of \$42,224 and \$38,394. At June 30, 2024, the County and the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Primary Government		Component Unit School Board	
	Deferred	Deferred	Deferred	Deferred
	Outflows	Inflows	Outflows	Inflows
	of Resources	of Resources	of Resources	of Resources
Differences between expected and actual experience	\$ 57,711	\$ 7,094	\$ -	\$ 55,874
Changes in assumptions	-	22,017	59,416	22,512
Total	<u>\$ 57,711</u>	<u>\$ 29,111</u>	<u>\$ 59,416</u>	<u>\$ 78,386</u>

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

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

Year Ended June 30	Primary Government	Component Unit School Board
2025	\$ 14,426	\$ (13,403)
2026	14,426	(4,342)
2027	6,112	(765)
2028	(6,364)	(460)
2029	-	-
Thereafter	-	-

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 SURRY, VIRGINIA

Notes to Financial Statements (Continued) As of June 30, 2024

Note 17 - Summary of Other Postemployment Benefit Plans:

Primary Government and Component Unit School Board

Aggregate OPEB Information

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense
VRS OPEB Plans:								
Group Life Insurance Program (Note 13):								
County	\$ 81,193	\$ 42,255	\$ 279,200	\$ 16,439	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	13,704	12,044	55,288	1,459
School Board Professional	-	-	-	-	92,496	106,521	405,128	(3,726)
Health Insurance Credit Program (Note 14):								
School Board Nonprofessional	-	-	-	-	24,150	80,089	76,517	(11,538)
Teacher Health Insurance Credit Program (Note 15)	-	-	-	-	119,776	168,586	962,592	37,240
County Stand-Alone Plan (Note 16)	57,711	29,111	182,898	42,224	-	-	-	-
School Stand-Alone Plan (Note 16)	-	-	-	-	59,416	78,386	570,165	38,394
Totals	<u>\$ 138,904</u>	<u>\$ 71,366</u>	<u>\$ 462,098</u>	<u>\$ 58,663</u>	<u>\$ 309,542</u>	<u>\$ 445,626</u>	<u>\$ 2,069,690</u>	<u>\$ 61,829</u>

Note 18—Surety Bonds:

	Amount
Division of Risk Management Surety Bond:	
Commonwealth Funds	
Gail P. Clayton, Clerk of the Circuit Court	\$ 380,000
Onike Ruffin, Treasurer	300,000
Jonathan F. Judkins, Commissioner of the Revenue	3,000
Carlos Turner, Sheriff	30,000
The Continental Insurance Company-Surety:	
All Social Services Employees-blanket bond	100,000

Note 19—Landfill Closure and Postclosure Care Cost:

The \$875,828 reported as landfill postclosure liability at June 30, 2024, represents the estimated liability for postclosure monitoring. This amount is based on what it would cost to perform all postclosure care in 2024 over a remaining period of 16 years. Actual costs may be higher due to inflation, changes in technology or changes in regulations. As of June 30, 2024, 100% of the landfill's total capacity has been used. The landfill was closed and capped in 1998.

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

Note 20—Unearned Grants:

On March 11, 2021, the American Rescue Plan (ARPA) Act of 2021 was passed by the federal government. A primary component of the ARPA was the establishment of the Coronavirus State and Local Fiscal Recover Fund (CSLFRF). As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2025 and unexpended by December 31, 2026, will be returned to the federal government. Unspent funds in the amount of \$1,127,044 are reported as unearned revenue as of June 30.

COUNTY OF SURRY, VIRGINIA

Notes to Financial Statements (Continued) As of June 30, 2024

Note 21 - Line of Duty Act (LODA) (OPEB Benefits):

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

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

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The County's LODA coverage is fully covered or "insured" through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The County's LODA premium for the year ended June 30, 2024 was \$9,308.

Note 22—Upcoming Pronouncements:

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

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

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

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

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

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
General property taxes	\$ 26,328,500	\$ 26,328,500	\$ 26,661,751	\$ 333,251
Other local taxes	1,099,700	1,099,700	2,148,839	1,049,139
Permits, privilege fees, and regulatory licenses	146,100	146,100	144,310	(1,790)
Fines and forfeitures	50,000	50,000	35,186	(14,814)
Revenue from the use of money and property	462,626	462,626	695,478	232,852
Charges for services	245,400	245,400	300,054	54,654
Miscellaneous	155,487	161,471	229,744	68,273
Recovered costs	148,952	148,952	151,696	2,744
Intergovernmental:				
Commonwealth	3,180,581	3,180,581	3,142,389	(38,192)
Federal	779,046	779,046	1,224,411	445,365
Total revenues	\$ 32,596,392	\$ 32,602,376	\$ 34,733,858	\$ 2,131,482
EXPENDITURES				
Current:				
General government administration	\$ 3,682,454	\$ 3,863,010	\$ 3,850,932	\$ 12,078
Judicial administration	867,781	939,071	930,678	8,393
Public safety	4,777,018	4,915,095	4,965,928	(50,833)
Public works	1,702,810	1,700,002	1,679,806	20,196
Health and welfare	3,305,229	3,228,069	3,034,178	193,891
Education	13,073,990	13,273,331	13,101,763	171,568
Parks, recreation, and cultural	695,053	635,076	628,599	6,477
Community development	1,074,471	1,022,141	1,020,055	2,086
Debt service:				
Principal retirement	1,610,000	1,610,000	1,610,000	-
Interest and other fiscal charges	690,946	690,946	667,944	23,002
Total expenditures	\$ 31,479,752	\$ 31,876,741	\$ 31,489,883	\$ 386,858
Excess (deficiency) of revenues over (under) expenditures	\$ 1,116,640	\$ 725,635	\$ 3,243,975	\$ 2,518,340
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (1,277,140)	\$ (2,859,640)	\$ (2,859,640)	\$ -
Net change in fund balances	\$ (160,500)	\$ (2,134,005)	\$ 384,335	\$ 2,518,340
Fund balances - beginning	160,500	2,134,005	20,470,962	18,336,957
Fund balances - ending	\$ -	\$ -	\$ 20,855,297	\$ 20,855,297

County of Surry, Virginia
Schedule of Changes in Net Pension Liability and Related Ratios
Primary Government
For the Measurement Dates of June 30, 2014 through June 30, 2023

	2023	2022	2021
Total pension liability			
Service cost	\$ 570,253	\$ 499,764	\$ 514,410
Interest	1,502,674	1,506,421	1,402,289
Differences between expected and actual experience	(74,468)	(700,568)	(175,068)
Changes of assumptions	-	-	740,492
Benefit payments	(1,324,110)	(1,539,146)	(1,339,233)
Net change in total pension liability	\$ 674,349	\$ (233,529)	\$ 1,142,890
Total pension liability - beginning	22,353,633	22,587,162	21,444,272
Total pension liability - ending (a)	\$ 23,027,982	\$ 22,353,633	\$ 22,587,162
Plan fiduciary net position			
Contributions - employer	\$ 551,823	\$ 551,061	\$ 500,868
Contributions - employee	252,341	239,673	227,268
Net investment income	1,359,172	(13,561)	4,805,959
Benefit payments	(1,324,110)	(1,539,146)	(1,339,233)
Administrator charges	(13,666)	(13,829)	(12,195)
Other	547	500	453
Net change in plan fiduciary net position	\$ 826,107	\$ (775,302)	\$ 4,183,120
Plan fiduciary net position - beginning	21,278,857	22,054,159	17,871,039
Plan fiduciary net position - ending (b)	\$ 22,104,964	\$ 21,278,857	\$ 22,054,159
County's net pension liability - ending (a) - (b)	\$ 923,018	\$ 1,074,776	\$ 533,003
Plan fiduciary net position as a percentage of the total pension liability	95.99%	95.19%	97.64%
Covered payroll	\$ 5,483,610	\$ 5,008,676	\$ 4,562,873
County's net pension liability as a percentage of covered payroll	16.83%	21.46%	11.68%

2020	2019	2018	2017	2016	2015	2014
\$ 512,614	\$ 446,163	\$ 434,320	\$ 434,734	\$ 417,603	\$ 411,340	\$ 391,145
1,317,296	1,286,442	1,220,918	1,170,206	1,139,509	1,132,119	1,071,965
720,316	108,825	413,745	124,012	(23,768)	(553,229)	-
-	557,716	-	29,310	-	-	-
(1,242,904)	(1,279,883)	(985,962)	(1,081,657)	(1,107,975)	(661,340)	(546,185)
\$ 1,307,322	\$ 1,119,263	\$ 1,083,021	\$ 676,605	\$ 425,369	\$ 328,890	\$ 916,925
20,136,950	19,017,687	17,934,666	17,258,061	16,832,692	16,503,802	15,586,877
<u>\$ 21,444,272</u>	<u>\$ 20,136,950</u>	<u>\$ 19,017,687</u>	<u>\$ 17,934,666</u>	<u>\$ 17,258,061</u>	<u>\$ 16,832,692</u>	<u>\$ 16,503,802</u>
\$ 354,709	\$ 337,827	\$ 273,087	\$ 272,074	\$ 361,721	\$ 362,868	\$ 382,061
225,025	315,066	207,895	219,825	189,642	191,927	181,266
343,387	1,156,309	1,241,488	1,883,572	263,004	703,835	2,102,412
(1,242,904)	(1,279,883)	(985,962)	(1,081,657)	(1,107,975)	(661,340)	(546,185)
(12,011)	(11,909)	(10,908)	(11,235)	(10,178)	(9,603)	(11,194)
(403)	(727)	(1,098)	(1,658)	(115)	(147)	110
\$ (332,197)	\$ 516,683	\$ 724,502	\$ 1,280,921	\$ (303,901)	\$ 587,540	\$ 2,108,470
18,203,236	17,686,553	16,962,051	15,681,130	15,985,031	15,397,491	13,289,021
<u>\$ 17,871,039</u>	<u>\$ 18,203,236</u>	<u>\$ 17,686,553</u>	<u>\$ 16,962,051</u>	<u>\$ 15,681,130</u>	<u>\$ 15,985,031</u>	<u>\$ 15,397,491</u>
\$ 3,573,233	\$ 1,933,714	\$ 1,331,134	\$ 972,615	\$ 1,576,931	\$ 847,661	\$ 1,106,311
83.34%	90.40%	93.00%	94.58%	90.86%	94.96%	93.30%
\$ 4,623,636	\$ 4,269,888	\$ 4,160,375	\$ 4,037,279	\$ 3,876,167	\$ 3,902,373	\$ 3,608,554
77.28%	45.29%	32.00%	24.09%	40.68%	21.72%	30.66%

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

	2023	2022	2021
Total pension liability			
Service cost	\$ 91,066	\$ 80,112	\$ 91,901
Interest	444,739	445,604	426,687
Differences between expected and actual experience	(108,849)	(145,178)	(153,021)
Changes of assumptions	-	-	244,763
Benefit payments	(391,521)	(417,076)	(403,321)
Net change in total pension liability	\$ 35,435	\$ (36,538)	\$ 207,009
Total pension liability - beginning	6,693,427	6,729,965	6,522,956
Total pension liability - ending (a)	\$ 6,728,862	\$ 6,693,427	\$ 6,729,965
Plan fiduciary net position			
Contributions - employer	\$ 107,312	\$ 119,633	\$ 101,745
Contributions - employee	48,786	47,900	44,284
Net investment income	388,530	(4,449)	1,404,626
Benefit payments	(391,521)	(417,076)	(403,321)
Administrator charges	(3,976)	(4,013)	(3,645)
Other	156	144	131
Net change in plan fiduciary net position	\$ 149,287	\$ (257,861)	\$ 1,143,820
Plan fiduciary net position - beginning	6,137,521	6,395,382	5,251,562
Plan fiduciary net position - ending (b)	\$ 6,286,808	\$ 6,137,521	\$ 6,395,382
School Division's net pension liability - ending (a) - (b)	\$ 442,054	\$ 555,906	\$ 334,583
Plan fiduciary net position as a percentage of the total pension liability	93.43%	91.69%	95.03%
Covered payroll	\$ 1,075,193	\$ 1,022,911	\$ 958,513
School Division's net pension liability as a percentage of covered payroll	41.11%	54.35%	34.91%

2020	2019	2018	2017	2016	2015	2014
\$ 86,517	\$ 88,702	\$ 86,110	\$ 99,250	\$ 101,589	\$ 104,105	\$ 103,206
411,302	420,410	404,448	401,621	407,137	400,493	390,886
140,842	(140,755)	171,557	(44,242)	(175,816)	(4,521)	-
-	155,642	-	(3,930)	-	-	-
(418,145)	(454,841)	(413,322)	(411,306)	(412,126)	(398,190)	(315,519)
\$ 220,516	\$ 69,158	\$ 248,793	\$ 41,393	\$ (79,216)	\$ 101,887	\$ 178,573
6,302,440	6,233,282	5,984,489	5,943,096	6,022,312	5,920,425	5,741,852
<u>\$ 6,522,956</u>	<u>\$ 6,302,440</u>	<u>\$ 6,233,282</u>	<u>\$ 5,984,489</u>	<u>\$ 5,943,096</u>	<u>\$ 6,022,312</u>	<u>\$ 5,920,425</u>
\$ 100,999	\$ 98,289	\$ 95,668	\$ 96,895	\$ 118,759	\$ 120,248	\$ 114,008
45,828	72,395	44,917	45,755	46,721	47,557	49,896
102,030	344,493	381,041	587,284	82,954	228,563	708,437
(418,145)	(454,841)	(413,322)	(411,306)	(412,126)	(398,190)	(315,519)
(3,631)	(3,598)	(3,443)	(3,581)	(3,252)	(3,306)	(3,912)
(118)	(217)	(333)	(514)	(36)	(49)	37
\$ (173,037)	\$ 56,521	\$ 104,528	\$ 314,533	\$ (166,980)	\$ (5,177)	\$ 552,947
5,424,599	5,368,078	5,263,550	4,949,017	5,115,997	5,121,174	4,568,227
<u>\$ 5,251,562</u>	<u>\$ 5,424,599</u>	<u>\$ 5,368,078</u>	<u>\$ 5,263,550</u>	<u>\$ 4,949,017</u>	<u>\$ 5,115,997</u>	<u>\$ 5,121,174</u>
\$ 1,271,394	\$ 877,841	\$ 865,204	\$ 720,939	\$ 994,079	\$ 906,315	\$ 799,251
80.51%	86.07%	86.12%	87.95%	83.27%	84.95%	86.50%
\$ 996,677	\$ 961,628	\$ 960,932	\$ 960,463	\$ 960,773	\$ 962,804	\$ 997,905
127.56%	91.29%	90.04%	75.06%	103.47%	94.13%	80.09%

County of Surry, Virginia
Schedule of Employer's Share of Net Pension Liability
VRS Teacher Retirement Plan
Pension Plans
For the Measurement Dates of June 30, 2014 through June 30, 2023

Exhibit 15

Date (1)	Employer's Proportion of the Net Pension Liability (Asset) (2)	Employer's Proportionate Share of the Net Pension Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (6)
2023	0.08024%	\$ 8,110,021	\$ 7,922,783	102.36%	82.45%
2022	0.08235%	7,840,213	7,614,524	102.96%	82.61%
2021	0.08267%	6,417,753	7,282,875	88.12%	85.46%
2020	0.08510%	12,379,919	7,422,403	166.79%	71.47%
2019	0.09342%	12,294,603	7,795,885	157.71%	73.51%
2018	0.09847%	11,580,000	7,942,962	145.79%	74.81%
2017	0.10080%	12,396,000	7,902,638	156.86%	72.92%
2016	0.10077%	14,122,000	7,683,184	183.80%	68.28%
2015	0.10636%	13,387,000	7,907,861	169.29%	70.68%
2014	0.10898%	13,170,000	7,969,660	165.25%	70.88%

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

Date		Contractually Required Contribution* (1)	Contributions in Relation to Contractually Required Contribution* (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government						
2024	\$	589,068	\$ 589,068	\$ -	\$ 5,939,091	9.92%
2023		558,032	558,032	-	5,483,610	10.18%
2022		549,321	549,321	-	5,008,676	10.97%
2021		500,868	500,868	-	4,562,873	10.98%
2020		355,419	355,419	-	4,623,636	7.69%
2019		337,826	337,826	-	4,269,888	7.91%
2018		273,088	273,088	-	4,160,375	6.56%
2017		280,187	280,187	-	4,037,279	6.94%
2016		365,523	365,523	-	3,876,167	9.43%
2015		367,994	367,994	-	3,902,373	9.43%
Component Unit School Board (nonprofessional)						
2024	\$	110,190	\$ 110,190	\$ -	\$ 1,108,705	9.94%
2023		107,320	107,320	-	1,075,193	9.98%
2022		110,279	110,279	-	1,022,911	10.78%
2021		101,745	101,745	-	958,513	10.61%
2020		101,162	101,162	-	996,677	10.15%
2019		98,289	98,289	-	961,628	10.22%
2018		96,055	96,055	-	960,932	10.00%
2017		100,849	100,849	-	960,463	10.50%
2016		120,577	120,577	-	960,773	12.55%
2015		120,832	120,832	-	962,804	12.55%
Component Unit School Board (professional)						
2024	\$	1,277,494	\$ 1,277,494	\$ -	\$ 8,005,637	15.96%
2023		1,266,640	1,266,640	-	7,922,783	15.99%
2022		1,265,534	1,265,534	-	7,614,524	16.62%
2021		1,169,580	1,169,580	-	7,282,875	16.06%
2020		1,130,433	1,130,433	-	7,422,403	15.23%
2019		1,238,666	1,238,666	-	7,795,885	15.89%
2018		1,298,516	1,298,516	-	7,942,962	16.35%
2017		1,159,872	1,159,872	-	7,902,638	14.68%
2016		1,098,107	1,098,107	-	7,683,184	14.29%
2015		1,146,640	1,146,640	-	7,907,861	14.50%

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

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

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

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

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

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

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

Exhibit 18

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Primary Government:					
2023	0.02328%	\$ 279,200	\$ 5,483,610	5.09%	69.30%
2022	0.02300%	277,303	5,008,676	5.54%	67.21%
2021	0.02210%	257,304	4,562,873	5.64%	67.45%
2020	0.02250%	375,154	4,623,636	8.11%	52.64%
2019	0.02178%	354,419	4,269,888	8.30%	52.00%
2018	0.02188%	332,000	4,160,375	7.98%	51.22%
2017	0.02195%	330,000	4,048,531	8.15%	48.86%
Component Unit School Board (professional):					
2023	0.03378%	\$ 405,128	\$ 7,956,215	5.09%	69.30%
2022	0.03500%	421,343	7,614,524	5.53%	67.21%
2021	0.03530%	410,639	7,282,875	5.64%	67.45%
2020	0.03620%	603,952	7,448,568	8.11%	52.64%
2019	0.03977%	647,164	7,795,885	8.30%	52.00%
2018	0.04177%	635,000	7,942,962	7.99%	51.22%
2017	0.04285%	645,000	7,902,638	8.16%	48.86%
Component Unit School Board (nonprofessional):					
2023	0.00461%	\$ 55,288	\$ 1,087,222	5.09%	69.30%
2022	0.00480%	57,556	1,040,489	5.53%	67.21%
2021	0.00470%	55,070	976,691	5.64%	67.45%
2020	0.00500%	83,442	1,028,265	8.11%	52.64%
2019	0.00491%	79,899	961,628	8.31%	52.00%
2018	0.00505%	76,000	960,932	7.91%	51.22%
2017	0.00521%	78,000	960,463	8.12%	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 Surry, Virginia
Schedule of Employer Contributions
Group Life Insurance (GLI) Plan
For the Years Ended June 30, 2015 through June 30, 2024

Exhibit 19

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government:					
2024	\$ 32,071	\$ 32,071	- \$	5,939,091	0.54%
2023	29,611	29,611	-	5,483,610	0.54%
2022	27,047	27,047	-	5,008,676	0.54%
2021	24,640	24,640	-	4,562,873	0.54%
2020	24,059	24,059	-	4,623,636	0.52%
2019	22,203	22,203	-	4,269,888	0.52%
2018	21,634	21,634	-	4,160,375	0.52%
2017	21,052	21,052	-	4,048,531	0.52%
2016	18,606	18,606	-	3,876,167	0.48%
2015	18,768	18,768	-	3,910,006	0.48%
Component Unit School Board (professional):					
2024	\$ 43,374	\$ 43,374	- \$	8,032,212	0.54%
2023	42,964	42,964	-	7,956,215	0.54%
2022	41,118	41,118	-	7,614,524	0.54%
2021	39,328	39,328	-	7,282,875	0.54%
2020	38,733	38,733	-	7,448,568	0.52%
2019	40,539	40,539	-	7,795,885	0.52%
2018	41,303	41,303	-	7,942,962	0.52%
2017	41,094	41,094	-	7,902,638	0.52%
2016	36,879	36,879	-	7,683,184	0.48%
2015	37,958	37,958	-	7,907,861	0.48%
Component Unit School Board (nonprofessional):					
2024	\$ 6,039	\$ 6,039	- \$	1,118,286	0.54%
2023	5,871	5,871	-	1,087,222	0.54%
2022	5,619	5,619	-	1,040,489	0.54%
2021	5,274	5,274	-	976,691	0.54%
2020	5,347	5,347	-	1,028,265	0.52%
2019	5,000	5,000	-	961,628	0.52%
2018	4,997	4,997	-	960,932	0.52%
2017	4,994	4,994	-	960,463	0.52%
2016	4,612	4,612	-	960,773	0.48%
2015	4,621	4,621	-	962,804	0.48%

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

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

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

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

County of Surry, Virginia
Schedule of Changes in the Net OPEB Liability and Related Ratios
Health Insurance Credit (HIC) Plan
School Board Component Unit (nonprofessional)
For the Measurement Dates of June 30, 2020 through June 30, 2023

Exhibit 21

	2023	2022	2021	2020
Total HIC OPEB Liability				
Service cost	\$ 1,073	\$ 1,140	\$ 1,503	\$ -
Interest	13,158	12,718	11,598	-
Changes in benefit terms	-	-	-	171,824
Differences between expected and actual experience	(98,151)	(19,924)	-	-
Changes of assumptions	-	18,903	5,485	-
Benefit payments	(6,214)	(6,275)	-	-
Net change in total HIC OPEB liability	\$ (90,134)	\$ 6,562	\$ 18,586	\$ 171,824
Total HIC OPEB Liability - beginning	196,972	190,410	171,824	-
Total HIC OPEB Liability - ending (a)	<u>\$ 106,838</u>	<u>\$ 196,972</u>	<u>\$ 190,410</u>	<u>\$ 171,824</u>
Plan fiduciary net position				
Contributions - employer	\$ 15,483	\$ 12,480	\$ 11,694	\$ -
Net investment income	1,543	(135)	1,377	-
Benefit payments	(6,214)	(6,275)	-	-
Administrator charges	(42)	(35)	(51)	-
Other	25	471	-	-
Net change in plan fiduciary net position	\$ 10,795	\$ 6,506	\$ 13,020	\$ -
Plan fiduciary net position - beginning	19,526	13,020	-	-
Plan fiduciary net position - ending (b)	<u>\$ 30,321</u>	<u>\$ 19,526</u>	<u>\$ 13,020</u>	<u>\$ -</u>
School Board Component Unit (nonprofessional) net HIC OPEB liability - ending (a) - (b)	\$ 76,517	\$ 177,446	\$ 177,390	\$ 171,824
Plan fiduciary net position as a percentage of the total HIC OPEB liability	28.38%	9.91%	6.84%	0.00%
Covered payroll	\$ 1,075,193	\$ 1,022,911	\$ 958,513	\$ -
School Board Component Unit (nonprofessional) net HIC OPEB liability as a percentage of covered payroll	7.12%	17.35%	18.51%	0.00%

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

County of Surry, Virginia
 Schedule of Employer Contributions
 Health Insurance Credit (HIC) Plan
 School Board Component Unit (nonprofessional)
 For the Years Ended June 30, 2021 through June 30, 2024

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2024	\$ 15,965	\$ 15,965	\$ -	\$ 1,108,705	1.44%
2023	15,483	15,483	-	1,075,193	1.44%
2022	12,480	12,480	-	1,022,911	1.22%
2021	11,694	11,694	-	958,513	1.22%

Schedule is intended to show information for 10 years. The School Board enrolled in the Health Insurance Credit Program in 2021. Additional years will be included as they become available.

County of Surry, Virginia
Notes to Required Supplementary Information
Health Insurance Credit (HIC) Plan
School Board Component Unit (nonprofessional)
For the Year Ended June 30, 2024

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

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

Non-Largest Ten Locality Employers - General Employees

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

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

Exhibit 24

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2023	0.07950% \$	962,592 \$	7,922,783	12.15%	17.90%
2022	0.08170%	1,020,471	7,614,524	13.40%	15.08%
2021	0.08235%	1,057,020	7,282,875	14.51%	13.15%
2020	0.08470%	1,104,534	7,422,403	14.88%	9.95%
2019	0.09294%	1,216,675	7,795,885	15.61%	8.97%
2018	0.09821%	1,247,000	7,942,962	15.70%	8.08%
2017	0.10013%	1,270,000	7,902,638	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 Surry, Virginia
Schedule of Employer Contributions
Teacher Employee Health Insurance Credit (HIC) Plan
For the Years Ended June 30, 2015 through June 30, 2024

Exhibit 25

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2024	\$ 96,868	\$ 96,868	\$ -	\$ 8,005,637	1.21%
2023	95,866	95,866	-	7,922,783	1.21%
2022	92,136	92,136	-	7,614,524	1.21%
2021	88,123	88,123	-	7,282,875	1.21%
2020	89,069	89,069	-	7,422,403	1.20%
2019	93,551	93,551	-	7,795,885	1.20%
2018	97,698	97,698	-	7,942,962	1.23%
2017	87,719	87,719	-	7,902,638	1.11%
2016	81,442	81,442	-	7,683,184	1.06%
2015	83,823	83,823	-	7,907,861	1.06%

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

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

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

County of Surry, Virginia
Schedule of Changes in Total OPEB Liability and Related Ratios
Primary Government
For the Years Ended June 30, 2018 through June 30, 2024

Exhibit 27

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 22,778	\$ 16,883	\$ 14,374	\$ 13,859	\$ 8,719	\$ 8,873	\$ 9,121
Interest	7,754	3,575	2,185	2,196	4,356	4,840	4,495
Economic/demographic gains or losses	(8,867)	102,103	-	-	(35,801)	-	-
Changes in assumptions	(22,949)	(6,472)	(7,988)	239	11,190	3,247	(3,020)
Benefit payments	(10,922)	(10,091)	(12,465)	(17,498)	(19,835)	(14,993)	(12,465)
Net change in total OPEB liability	(12,206)	105,998	(3,894)	(1,204)	(31,371)	1,967	(1,869)
Total OPEB liability - beginning	195,104	89,106	93,000	94,204	125,575	123,608	125,477
Total OPEB liability - ending	<u>182,898</u>	<u>195,104</u>	<u>89,106</u>	<u>93,000</u>	<u>94,204</u>	<u>125,575</u>	<u>123,608</u>
Covered-employee payroll	\$ 6,930,876	\$ 4,806,369	\$ 4,585,039	\$ 4,585,039	\$ 4,585,039	\$ 4,125,259	\$ 4,125,259
County's total OPEB liability (asset) as a percentage of covered-employee payroll	2.64%	4.06%	1.94%	2.03%	2.05%	3.04%	3.00%

11

Schedule is intended to show information for 10 years. Information prior to 2018 is not available. However, additional years will be included as they become available.

County of Surry, Virginia
Schedule of Changes in Total OPEB Liability and Related Ratios
Component Unit School Board
For the Years Ended June 30, 2018 through June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 30,625	\$ 30,918	\$ 41,849	\$ 40,323	\$ 26,326	\$ 25,610	\$ 26,477
Interest	20,838	18,944	12,379	12,508	20,049	21,784	20,569
Economic/demographic gains or losses	-	(67,723)	-	-	(63,747)	-	-
Changes in assumptions	(11,320)	77,219	(45,159)	1,531	48,680	16,233	(15,903)
Benefit payments	(20,310)	(26,308)	(45,886)	(51,511)	(52,680)	(56,263)	(53,761)
Net change in total OPEB liability	\$ 19,833	\$ 33,050	\$ (36,817)	\$ 2,851	\$ (21,372)	\$ 7,364	\$ (22,618)
Total OPEB liability - beginning	550,332	517,282	554,099	551,248	572,620	565,256	587,874
Total OPEB liability - ending	\$ 570,165	\$ 550,332	\$ 517,282	\$ 554,099	\$ 551,248	\$ 572,620	\$ 565,256
Covered-employee payroll	\$ 8,470,032	\$ 8,470,032	\$ 7,912,542	\$ 7,912,542	\$ 7,912,542	\$ 8,596,400	\$ 8,596,400
School Board's total OPEB liability (asset) as a percentage of covered-employee payroll	6.73%	6.50%	6.54%	7.00%	6.97%	6.66%	6.58%

11 Schedule is intended to show information for 10 years. Information prior to 2018 is not available. However,
12 additional years will be included as they become available.

County of Surry, Virginia
Notes to Required Supplementary Information - Primary Government OPEB
For the Year Ended June 30, 2024

Exhibit 29

Valuation Date: 1/1/2024
Measurement Date: 6/30/2024

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 normal, level percentage of pay
Discount Rate	3.93% based on Bond Buyer 20-Year Bond GO Index
Inflation	2.50%
Healthcare Trend Rate	The healthcare trend rate assumption starts at 5.40% in 2024, then gradually declines to 3.90% in 2072 and later.
Salary Increase Rates	The general salary increase rate was 5.35% in service year 1, then gradually declines to 3.50% in service year 20 and later.
Retirement Age	The average age of retirement is 65
Mortality Rates	Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years. Based rates are projected generationally with a Modified MP-2020 improvement Scale that is 75% of the MP-2020 rates, 25% of deaths are assumed to be service-related. Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 100% of rates for females. Based rates are projected generationally with a Modified P-2020 Improvement Scale that is 75% of the MP-2020 rates.

Valuation Date: 1/1/2022
Measurement Date: 6/30/2024

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 normal, level percentage of pay
Discount Rate	3.93% based on Bond Buyer 20-Year Bond GO Index
Inflation	2.50%
Healthcare Trend Rate	The healthcare trend rate assumption starts at 6.50% in 2024, then gradually declines to 3.90% in 2072 and later
Salary Increase Rates	The salary increase rate was 5.35% in service year 1, then gradually declines to 3.50% in service year 20 and later
Retirement Age	The average age of retirement is 65
Mortality Rates	Pre-Retirement: RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020; males setback 1 year, 85% of rates; females setback 1 year. 25% of deaths are assumed to be service related. Post-Retirement: RP-2020 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year; females setback 1 year with 1.5% increase compounded from ages 70 to 85. Post-Disablement: RP-2014 Disabled Mortality Rates projected with Scale BB to 2020; males 90% of rates; females set forward 1 year. 35% of deaths are assumed to be service-related.

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OTHER SUPPLEMENTARY INFORMATION

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*COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES*

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 789,033	\$ 789,033
Miscellaneous	3,675,000	3,918,134	508,292	(3,409,842)
Total revenues	\$ 3,675,000	\$ 3,918,134	\$ 1,297,325	\$ (2,620,809)
EXPENDITURES				
Capital projects	\$ 5,656,500	\$ 17,948,854	\$ 5,961,205	\$ 11,987,649
Total expenditures	\$ 5,656,500	\$ 17,948,854	\$ 5,961,205	\$ 11,987,649
Excess (deficiency) of revenues over (under) expenditures	\$ (1,981,500)	\$ (14,030,720)	\$ (4,663,880)	\$ 9,366,840
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 1,756,500	\$ 3,339,000	\$ 2,739,000	\$ (600,000)
Issuance of lease revenue bonds	-	(1,000,000)	-	1,000,000
Total other financing sources (uses)	\$ 1,756,500	\$ 2,339,000	\$ 2,739,000	\$ 400,000
Net change in fund balances	\$ (225,000)	\$ (11,691,720)	\$ (1,924,880)	\$ 9,766,840
Fund balances - beginning	225,000	11,691,720	6,895,398	(4,796,322)
Fund balances - ending	\$ -	\$ -	\$ 4,970,518	\$ 4,970,518

County of Surry, Virginia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Revenue from the use of money and property	\$ 30	\$ 30	\$ 38	\$ 8
Miscellaneous	11,700	11,700	82,566	70,866
Total revenues	<u>\$ 11,730</u>	<u>\$ 11,730</u>	<u>\$ 82,604</u>	<u>\$ 70,874</u>
EXPENDITURES				
Current:				
Public safety	\$ 25,000	\$ 25,000	\$ 1,506	\$ 23,494
Community development	91,730	91,730	103,426	(11,696)
Total expenditures	<u>\$ 116,730</u>	<u>\$ 116,730</u>	<u>\$ 104,932</u>	<u>\$ 11,798</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (105,000)</u>	<u>\$ (105,000)</u>	<u>\$ (22,328)</u>	<u>\$ 82,672</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 80,000	\$ 80,000	\$ 80,000	\$ -
Transfers out	(600,000)	(600,000)	-	600,000
Total other financing sources (uses)	<u>\$ (520,000)</u>	<u>\$ (520,000)</u>	<u>\$ 80,000</u>	<u>\$ 600,000</u>
Net change in fund balances	<u>\$ (625,000)</u>	<u>\$ (625,000)</u>	<u>\$ 57,672</u>	<u>\$ 682,672</u>
Fund balances - beginning	625,000	625,000	971,853	346,853
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,029,525</u>	<u>\$ 1,029,525</u>

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

	Custodial Funds			
	<u>Special Welfare</u>	<u>Crater AAA</u>	<u>Emergency Food and Shelter</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 64,514	\$ 250,155	\$ 141	\$ 314,810
Total assets	<u>\$ 64,514</u>	<u>\$ 250,155</u>	<u>\$ 141</u>	<u>\$ 314,810</u>
NET POSITION				
Restricted for:				
Special welfare	\$ 64,514	\$ -	\$ -	\$ 64,514
Other governments	-	250,155	141	250,296
Total net position	<u>\$ 64,514</u>	<u>\$ 250,155</u>	<u>\$ 141</u>	<u>\$ 314,810</u>

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

	Custodial Funds			<u>Total</u>
	<u>Special Welfare</u>	<u>Crater AAA</u>	<u>Emergency Food and Shelter</u>	
ADDITIONS				
Contributions:				
Donations	\$ 50,087	\$ 36,519	\$ -	\$ 86,606
Investment earnings:				
Interest and dividends	35	-	-	35
Total additions	<u>\$ 50,122</u>	<u>\$ 36,519</u>	<u>\$ -</u>	<u>\$ 86,641</u>
DEDUCTIONS				
Purchases for supplies	\$ 53,368	\$ 11,015	\$ -	\$ 64,383
Total deductions	<u>\$ 53,368</u>	<u>\$ 11,015</u>	<u>\$ -</u>	<u>\$ 64,383</u>
Net increase (decrease) in fiduciary net position	\$ (3,246)	\$ 25,504	\$ -	\$ 22,258
Net position, beginning	67,760	224,651	141	292,552
Net position, ending	<u><u>\$ 64,514</u></u>	<u><u>\$ 250,155</u></u>	<u><u>\$ 141</u></u>	<u><u>\$ 314,810</u></u>

*DISCRETELY PRESENTED COMPONENT UNIT
SCHOOL BOARD*

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

	School Operating <u>Fund</u>	School Cafeteria <u>Fund</u>	School Activity <u>Fund</u>	Total Governmental <u>Funds</u>
ASSETS				
Cash and cash equivalents	\$ 1,752,964	\$ 16,782	\$ 80,336	\$ 1,850,082
Due from primary government	-	12,042	-	12,042
Due from other governmental units	2,011,152	16,347	-	2,027,499
Total assets	<u>\$ 3,764,116</u>	<u>\$ 45,171</u>	<u>\$ 80,336</u>	<u>\$ 3,889,623</u>
LIABILITIES				
Accounts payable	\$ 230,981	\$ 188	\$ -	\$ 231,169
Accrued liabilities	596,602	24,492	-	621,094
Due to primary government	1,724,812	-	-	1,724,812
Deferred revenue	66,977	-	-	66,977
Total liabilities	<u>\$ 2,619,372</u>	<u>\$ 24,680</u>	<u>\$ -</u>	<u>\$ 2,644,052</u>
FUND BALANCES				
Reserved	\$ 969,463	\$ -	\$ -	\$ 969,463
Committed	175,281	20,491	80,336	276,108
Total fund balances (deficits)	<u>\$ 1,144,744</u>	<u>\$ 20,491</u>	<u>\$ 80,336</u>	<u>\$ 1,245,571</u>
Total liabilities and fund balances	<u>\$ 3,764,116</u>	<u>\$ 45,171</u>	<u>\$ 80,336</u>	<u>\$ 3,889,623</u>

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

Total fund balances per above	\$ 1,245,571
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets cost	\$ 30,594,453
Accumulated depreciation	<u>(21,736,536)</u>
	8,857,917
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	
Pension related items	\$ 2,453,150
OPEB related items	<u>309,542</u>
	2,762,692
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	
Net pension liability	\$ (8,552,075)
Net OPEB liabilities	(2,069,690)
Lease liabilities	<u>(45,364)</u>
	(10,667,129)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	
Pension related items	\$ (1,626,517)
OPEB related items	<u>(445,626)</u>
	(2,072,143)
Net position of governmental activities	<u>\$ 126,908</u>

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

	School Operating Fund	School Cafeteria Fund	School Activity Fund	Total Governmental Funds
REVENUES				
Revenue from the use of money and property	\$ 373	\$ -	\$ -	\$ 373
Charges for services	-	63,560	-	63,560
Miscellaneous	7,773	-	181,813	189,586
Intergovernmental:				
Local government	13,100,530	-	-	13,100,530
Commonwealth	3,711,882	11,433	-	3,723,315
Federal	2,193,438	635,288	-	2,828,726
Total revenues	<u>\$ 19,013,996</u>	<u>\$ 710,281</u>	<u>\$ 181,813</u>	<u>\$ 19,906,090</u>
EXPENDITURES				
Current:				
Education	\$ 18,894,786	\$ 665,457	\$ 170,584	\$ 19,730,827
Debt service:				
Principal retirement	21,403	-	-	21,403
Interest and other fiscal charges	1,853	-	-	1,853
Total expenditures	<u>\$ 18,918,042</u>	<u>\$ 665,457</u>	<u>\$ 170,584</u>	<u>\$ 19,754,083</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 95,954</u>	<u>\$ 44,824</u>	<u>\$ 11,229</u>	<u>\$ 152,007</u>
Net change in fund balances	\$ 95,954	\$ 44,824	\$ 11,229	\$ 152,007
Fund balances (deficit) - beginning	1,048,790	(24,332)	69,107	1,093,565
Fund balances (deficit) - ending	<u>\$ 1,144,744</u>	<u>\$ 20,492</u>	<u>\$ 80,336</u>	<u>\$ 1,245,572</u>

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

Net change in fund balances - total governmental funds - per above \$ 152,007

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

Capital outlay	\$ 1,161,129	
Depreciation expense	(966,317)	
Activity related to joint tenancy assets of Component Unit and Primary Government	<u>77,300</u>	272,112

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position 19,990

Gain on disposal of capital assets

Special contributions received from the Commonwealth for the teacher cost sharing pool are not reported in the governmental funds 118,230

Special contributions received from the Commonwealth for group life insurance, are not reported in the governmental funds. 3,895

Special contributions received from the Commonwealth for teacher employee health insurance, are not reported in the governmental funds. 3,182

The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal retired on lease liabilities 21,403

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.

OPEB expense	\$ 120,748	
Pension expense	<u>1,137,524</u>	1,258,272

Change in net position of governmental activities \$ 1,849,091

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

	School Operating Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 373	\$ 373
Charges for services	-	-	-	-
Miscellaneous	32,132	38,632	7,773	(30,859)
Intergovernmental:				
Local government	13,067,757	13,267,098	13,100,530	(166,568)
Commonwealth	3,405,652	4,611,711	3,711,882	(899,829)
Federal	881,057	2,188,767	2,193,438	4,671
Total revenues	\$ 17,386,598	\$ 20,106,208	\$ 19,013,996	\$ (1,092,212)
EXPENDITURES				
Current:				
Education	\$ 17,362,693	\$ 20,082,303	\$ 18,894,786	\$ 1,187,517
Debt service:				
Principal retirement	-	-	21,403	(21,403)
Interest and other fiscal charges	-	-	1,853	(1,853)
Total expenditures	\$ 17,362,693	\$ 20,082,303	\$ 18,918,042	\$ 1,164,261
Excess (deficiency) of revenues over (under) expenditures	\$ 23,905	\$ 23,905	\$ 95,954	\$ 72,049
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	(23,905)	(23,905)	-	23,905
Total other financing sources and uses	\$ (23,905)	\$ (23,905)	\$ -	\$ 23,905
Net change in fund balances	\$ -	\$ -	\$ 95,954	\$ 95,954
Fund balances (deficit) - beginning	-	-	1,048,790	1,048,790
Fund balances (deficit) - ending	\$ -	\$ -	\$ 1,144,744	\$ 1,144,744

School Cafeteria Fund				School Activity Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9,960	9,960	63,560	53,600	-	-	-	-
-	-	-	-	-	-	181,813	181,813
-	-	-	-	-	-	-	-
64,749	64,749	11,433	(53,316)	-	-	-	-
493,289	493,289	635,288	141,999	-	-	-	-
\$ 567,998	\$ 567,998	\$ 710,281	\$ 142,283	\$ -	\$ -	\$ 181,813	\$ 181,813
\$ 587,998	\$ 591,903	\$ 665,457	\$ (73,554)	\$ -	\$ -	\$ 170,584	\$ (170,584)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 587,998	\$ 591,903	\$ 665,457	\$ (73,554)	\$ -	\$ -	\$ 170,584	\$ (170,584)
\$ (20,000)	\$ (23,905)	\$ 44,824	\$ 68,729	\$ -	\$ -	\$ 11,229	\$ 11,229
\$ 20,000	\$ 23,905	\$ -	\$ (23,905)	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
\$ 20,000	\$ 23,905	\$ -	\$ (23,905)	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ 44,824	\$ 44,824	\$ -	\$ -	\$ 11,229	\$ 11,229
-	-	(24,332)	(24,332)	-	-	69,107	69,107
\$ -	\$ -	\$ 20,492	\$ 20,492	\$ -	\$ -	\$ 80,336	\$ 80,336

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*DISCRETELY PRESENTED COMPONENT UNIT
ECONOMIC DEVELOPMENT AUTHORITY*

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County of Surry, Virginia
Statement of Net Position
Discretely Presented Component Unit - Economic Development Authority
June 30, 2024

ASSETS

Current assets:

Cash and cash equivalents	\$	136,507
Due from other governmental units		35,000
Total current assets	\$	<u>171,507</u>

NET POSITION

Unrestricted	\$	<u>171,507</u>
Total net position	\$	<u><u>171,507</u></u>

County of Surry, Virginia
Statement of Revenues, Expenses, and Changes in Net Position
Discretely Presented Component Unit - Economic Development Authority
For the Year Ended June 30, 2024

OPERATING REVENUES

Contributions from local governments	\$	215,000
--------------------------------------	----	---------

OPERATING EXPENSES

Other charges	\$	8,925
---------------	----	-------

Operating income (loss)	\$	206,075
-------------------------	----	---------

NONOPERATING REVENUES (EXPENSES)

Interest income	\$	52
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Local business improvement grant from Surry County		20,000
--	--	--------

Local market grant from Dominion Electric		62,500
---	--	--------

Market buildout		(221,016)
-----------------	--	-----------

Business improvement grant		(7,000)
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Total nonoperating revenues (expenses)	\$	(145,464)
--	----	-----------

Change in net position	\$	60,611
------------------------	----	--------

Net position - beginning		110,896
--------------------------	--	---------

Net position - ending	\$	171,507
-----------------------	----	---------

County of Surry, Virginia
Statement of Cash Flows
Discretely Presented Component Unit - Economic Development Authority
For the Year Ended June 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts for local government contributions	\$ 215,000
Payments to suppliers	(8,925)
Net cash provided by (used for) operating activities	<u>\$ 206,075</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Local business improvement grant from Surry County	\$ 20,000
Local market grant from Dominion Electric	62,500
Marketplace supplies	(221,016)
Business improvement grant	(7,000)
Net cash provided by (used for) capital and related financing activities	<u>\$ (145,516)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	\$ 52
Due from Town of Claremont	(35,000)
Net cash provided by (used for) investing activities	<u>\$ (34,948)</u>

Net increase (decrease) in cash and cash equivalents \$ 25,611

Cash and cash equivalents - beginning	110,896
Cash and cash equivalents - ending	<u><u>\$ 136,507</u></u>

Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:

Operating income (loss)	\$ 206,075
Net cash provided by (used for) operating activities	<u><u>\$ 206,075</u></u>

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SUPPORTING SCHEDULES

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County of Surry, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 8,208,486	\$ 8,208,486	\$ 8,477,966	\$ 269,480
Real and personal public service corporation taxes	15,618,514	15,618,514	15,559,865	(58,649)
Personal property taxes	2,376,500	2,376,500	2,512,454	135,954
Penalties	55,000	55,000	50,639	(4,361)
Interest	70,000	70,000	60,827	(9,173)
Total general property taxes	<u>\$ 26,328,500</u>	<u>\$ 26,328,500</u>	<u>\$ 26,661,751</u>	<u>\$ 333,251</u>
Other local taxes:				
Local sales and use taxes	\$ 650,000	\$ 650,000	\$ 1,566,395	\$ 916,395
Consumption tax	19,700	19,700	20,766	1,066
Business license taxes	95,000	95,000	220,120	125,120
Motor vehicle licenses	130,000	130,000	127,149	(2,851)
Taxes on recordation and wills	60,000	60,000	60,296	296
Meals tax	145,000	145,000	154,113	9,113
Total other local taxes	<u>\$ 1,099,700</u>	<u>\$ 1,099,700</u>	<u>\$ 2,148,839</u>	<u>\$ 1,049,139</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 1,300	\$ 1,300	\$ 1,370	\$ 70
Building permits	103,500	103,500	73,731	(29,769)
Permits and other licenses	41,300	41,300	69,209	27,909
Total permits, privilege fees, and regulatory licenses	<u>\$ 146,100</u>	<u>\$ 146,100</u>	<u>\$ 144,310</u>	<u>\$ (1,790)</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 50,000	\$ 50,000	\$ 35,186	\$ (14,814)
Revenue from use of money and property:				
Revenue from use of money	\$ 400,000	\$ 400,000	\$ 629,036	\$ 229,036
Revenue from use of property	62,626	62,626	66,442	3,816
Total revenue from use of money and property	<u>\$ 462,626</u>	<u>\$ 462,626</u>	<u>\$ 695,478</u>	<u>\$ 232,852</u>
Charges for services:				
Sheriff fees	\$ 18,200	\$ 18,200	\$ 17,525	\$ (675)
Charges for Commonwealth's Attorney	1,000	1,000	1,013	13
Charges for Treasurer	-	-	36	36
Courthouse maintenance fees	2,700	2,700	1,921	(779)
Charges for other court services	4,200	4,200	2,527	(1,673)
Charges for ambulance	190,000	190,000	243,650	53,650
Charges for sanitation and waste removal	8,000	8,000	10,985	2,985
Charges for farmers market vendor fees	800	800	375	(425)
Charges for parks and recreation	20,500	20,500	22,022	1,522
Total charges for services	<u>\$ 245,400</u>	<u>\$ 245,400</u>	<u>\$ 300,054</u>	<u>\$ 54,654</u>
Miscellaneous:				
Miscellaneous	\$ 155,487	\$ 161,471	\$ 229,744	\$ 68,273

County of Surry, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Recovered costs:				
Recovered costs	\$ 148,952	\$ 148,952	\$ 151,696	\$ 2,744
Total revenue from local sources	\$ 28,636,765	\$ 28,642,749	\$ 30,367,058	\$ 1,724,309
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Rolling stock tax	\$ -	\$ -	\$ 10	\$ 10
Mobile home titling tax	10,000	10,000	10,139	139
Taxes on deeds	10,000	10,000	37,629	27,629
Communications tax	35,000	35,000	33,507	(1,493)
Auto rental tax	-	-	2,149	2,149
State recordation tax	16,000	16,000	12,916	(3,084)
Personal property tax relief funds	677,907	677,907	677,907	-
Total noncategorical aid	\$ 748,907	\$ 748,907	\$ 774,257	\$ 25,350
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 200,674	\$ 200,674	\$ 203,132	\$ 2,458
Sheriff	590,234	590,234	599,504	9,270
Commissioner of revenue	86,704	86,704	106,402	19,698
Treasurer	90,005	90,005	100,678	10,673
Registrar/electoral board	54,075	54,075	68,505	14,430
Clerk of the circuit court	235,759	235,759	256,429	20,670
Total shared expenses	\$ 1,257,451	\$ 1,257,451	\$ 1,334,650	\$ 77,199
Other categorical aid:				
Public assistance and welfare administration	\$ 603,711	\$ 603,711	\$ 413,447	\$ (190,264)
Fire programs fund	30,000	30,000	36,030	6,030
Children's services act	369,867	369,867	380,870	11,003
Wireless funds	44,892	44,892	52,563	7,671
Emergency medical services	8,168	8,168	25,204	17,036
Victim-witness grant	76,585	76,585	27,585	(49,000)
Animal friendly plates	-	-	244	244
Radiological emergency preparedness grant	30,000	30,000	-	(30,000)
Tourism grant	-	-	18,545	18,545
Records preservation grant	-	-	60,242	60,242
Litter control	11,000	11,000	16,552	5,552
Revenue holding	-	-	2,200	2,200
Total other categorical aid	\$ 1,174,223	\$ 1,174,223	\$ 1,033,482	\$ (140,741)
Total categorical aid	\$ 2,431,674	\$ 2,431,674	\$ 2,368,132	\$ (63,542)
Total revenue from the Commonwealth	\$ 3,180,581	\$ 3,180,581	\$ 3,142,389	\$ (38,192)

County of Surry, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	\$ 360	\$ 360	\$ 436	\$ 76
Categorical aid:				
Public assistance and welfare administration	\$ 778,686	\$ 778,686	\$ 1,085,695	\$ 307,009
Criminal justice grant	-	-	54,537	54,537
Sheriff DMV grant	-	-	1,712	1,712
Justice assistance grant	-	-	966	966
Disaster assistance	-	-	7,144	7,144
American Rescue Plan Act	-	-	73,921	73,921
Total categorical aid	\$ 778,686	\$ 778,686	\$ 1,223,975	\$ 445,289
Total revenue from the federal government	\$ 779,046	\$ 779,046	\$ 1,224,411	\$ 445,365
Total General Fund	\$ 32,596,392	\$ 32,602,376	\$ 34,733,858	\$ 2,131,482
Special Revenue Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 30	\$ 30	\$ 38	\$ 8
Miscellaneous:				
Miscellaneous	\$ 11,700	\$ 11,700	\$ 82,566	\$ 70,866
Total miscellaneous revenue	\$ 11,700	\$ 11,700	\$ 82,566	\$ 70,866
Total revenue from local sources	\$ 11,730	\$ 11,730	\$ 82,604	\$ 70,874
Total Special Revenue Fund	\$ 11,730	\$ 11,730	\$ 82,604	\$ 70,874
Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 789,033	\$ 789,033
Miscellaneous:				
Miscellaneous	\$ 3,675,000	\$ 3,918,134	\$ 508,292	\$ (3,409,842)
Total revenue from local sources	\$ 3,675,000	\$ 3,918,134	\$ 1,297,325	\$ (2,620,809)
Total County Capital Projects Fund	\$ 3,675,000	\$ 3,918,134	\$ 1,297,325	\$ (2,620,809)
Total Primary Government	\$ 36,283,122	\$ 36,532,240	\$ 36,113,787	\$ (418,453)

County of Surry, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 373	\$ 373
Miscellaneous:				
Miscellaneous	\$ 32,132	\$ 38,632	\$ 7,773	\$ (30,859)
Total revenue from local sources	\$ 32,132	\$ 38,632	\$ 8,146	\$ (30,486)
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Surry	\$ 13,067,757	\$ 13,267,098	\$ 13,100,530	\$ (166,568)
Categorical aid:				
Share of state sales tax	\$ 1,049,976	\$ 1,049,976	\$ 1,002,717	\$ (47,259)
Basic school aid	838,945	838,945	924,081	85,136
Remedial summer education	12,614	12,614	11,563	(1,051)
Support in lieu of sales tax	-	-	148,692	148,692
Gifted and talented	6,930	6,930	7,210	280
Special education	197,142	197,142	200,659	3,517
Textbook payment	16,680	16,680	17,355	675
Remedial education	32,760	32,760	34,085	1,325
Vocational education	88,615	88,615	90,260	1,645
Early reading intervention	\$ 8,968	\$ 8,968	\$ 7,474	\$ (1,494)
School fringes	204,498	204,498	212,379	7,881
English as a second language	913	913	1,826	913
Technology	128,000	128,000	128,000	-
Mentor teacher program	118	118	624	506
Lottery payments	200,000	200,000	200,000	-
At risk payments	229,037	229,037	149,863	(79,174)
School construction	-	1,048,790	-	(1,048,790)
Primary class size	32,548	32,548	33,541	993
SOL algebra readiness	3,770	3,770	3,810	40
Restraint	-	-	4,400	4,400
Hold harmless	203,320	203,320	47,028	(156,292)
Virginia preschool initiative	-	-	96,129	96,129
School security grant	-	-	68,692	68,692
Project graduation	3,093	3,093	3,093	-
Other state funds	147,725	304,994	318,401	13,407
Total categorical aid	\$ 3,405,652	\$ 4,611,711	\$ 3,711,882	\$ (899,829)
Total revenue from the Commonwealth	\$ 3,405,652	\$ 4,611,711	\$ 3,711,882	\$ (899,829)

County of Surry, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 244,333	\$ 244,333	\$ 195,108	\$ (49,225)
Title VI-B, special education flow-through	312,981	312,981	262,612	(50,369)
Vocational education	16,850	16,850	18,243	1,393
Title VI-B, special education pre-school	4,632	4,632	12,618	7,986
JROTC	72,000	72,000	63,772	(8,228)
Twenty-first Century Grant	184,500	184,500	231,084	46,584
ESSER	-	964,972	1,032,744	67,772
Other federal funds	45,761	388,499	377,257	(11,242)
Total categorical aid	<u>\$ 881,057</u>	<u>\$ 2,188,767</u>	<u>\$ 2,193,438</u>	<u>\$ 4,671</u>
Total revenue from the federal government	<u>\$ 881,057</u>	<u>\$ 2,188,767</u>	<u>\$ 2,193,438</u>	<u>\$ 4,671</u>
Total School Operating Fund	<u>\$ 17,386,598</u>	<u>\$ 20,106,208</u>	<u>\$ 19,013,996</u>	<u>\$ (1,092,212)</u>
Special Revenue Funds:				
School Cafeteria Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	\$ 9,960	\$ 9,960	\$ 63,560	\$ 53,600
Total charges for services	<u>\$ 9,960</u>	<u>\$ 9,960</u>	<u>\$ 63,560</u>	<u>\$ 53,600</u>
Total revenue from local sources	<u>\$ 9,960</u>	<u>\$ 9,960</u>	<u>\$ 63,560</u>	<u>\$ 53,600</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program	\$ 64,749	\$ 64,749	\$ 11,433	\$ (53,316)
Total categorical aid	<u>\$ 64,749</u>	<u>\$ 64,749</u>	<u>\$ 11,433</u>	<u>\$ (53,316)</u>
Total revenue from the Commonwealth	<u>\$ 64,749</u>	<u>\$ 64,749</u>	<u>\$ 11,433</u>	<u>\$ (53,316)</u>
Revenue from the federal government:				
Categorical aid:				
School food program	\$ 468,289	\$ 468,289	\$ 616,232	\$ 147,943
Commodities	25,000	25,000	19,056	(5,944)
Total categorical aid	<u>\$ 493,289</u>	<u>\$ 493,289</u>	<u>\$ 635,288</u>	<u>\$ 141,999</u>
Total revenue from the federal government	<u>\$ 493,289</u>	<u>\$ 493,289</u>	<u>\$ 635,288</u>	<u>\$ 141,999</u>
Total School Cafeteria Fund	<u>\$ 567,998</u>	<u>\$ 567,998</u>	<u>\$ 710,281</u>	<u>\$ 142,283</u>

County of Surry, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
School Activity Fund:				
Revenue from local sources:				
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 181,813	\$ 181,813
Total School Activity Fund	\$ -	\$ -	\$ 181,813	\$ 181,813
Total Discretely Presented Component Unit - School Board	\$ 17,954,596	\$ 20,674,206	\$ 19,906,090	\$ (768,116)

County of Surry, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Schedule 2
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<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 592,096	\$ 418,620	\$ 424,650	\$ (6,030)
General and financial administration:				
County administrator	\$ 610,705	\$ 794,860	\$ 785,922	\$ 8,938
Legal services	254,175	179,806	177,179	2,627
Commissioner of revenue	283,922	295,048	294,156	892
Independent audit	55,000	50,500	50,500	-
Treasurer	308,319	320,892	319,430	1,462
Board of equalization	8,000	1,000	463	537
Finance department	443,143	514,407	514,090	317
Information technology	635,753	902,201	901,901	300
Other general and financial administration	255,075	130,429	128,554	1,875
Total general and financial administration	\$ 2,854,092	\$ 3,189,143	\$ 3,172,195	\$ 16,948
Board of elections:				
Electoral board and officials	\$ 236,266	\$ 255,247	\$ 254,087	\$ 1,160
Total general government administration	\$ 3,682,454	\$ 3,863,010	\$ 3,850,932	\$ 12,078
Judicial administration:				
Courts:				
Circuit court	\$ 26,500	\$ 27,500	\$ 27,099	\$ 401
General district court	60,082	57,709	55,040	2,669
Victim Witness	82,500	96,011	92,699	3,312
Clerk of the circuit court	366,624	409,250	407,404	1,846
Total courts	\$ 535,706	\$ 590,470	\$ 582,242	\$ 8,228
Commonwealth's attorney:				
Commonwealth's attorney	\$ 332,075	\$ 348,601	\$ 348,436	\$ 165
Total judicial administration	\$ 867,781	\$ 939,071	\$ 930,678	\$ 8,393
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 2,210,472	\$ 2,173,291	\$ 2,280,774	\$ (107,483)
Virginia juvenile crime control act	13,909	14,468	13,331	1,137
Total law enforcement and traffic control	\$ 2,224,381	\$ 2,187,759	\$ 2,294,105	\$ (106,346)
Fire and rescue services:				
Fire department/rescue services	\$ 1,113,421	\$ 1,266,921	\$ 1,257,891	\$ 9,030
Correction and detention:				
Confinement and care of prisoners	\$ 312,799	\$ 277,799	\$ 273,905	\$ 3,894

County of Surry, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Schedule 2
Page 2 of 5

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Public safety: (Continued)				
Inspections:				
Building	\$ 313,849	\$ 326,339	\$ 324,528	\$ 1,811
Other protection:				
Animal control	\$ 248,957	\$ 207,889	\$ 205,418	\$ 2,471
Emergency services	396,350	499,448	461,596	37,852
E-911 communications	167,261	148,940	148,485	455
Total other protection	\$ 812,568	\$ 856,277	\$ 815,499	\$ 40,778
Total public safety	\$ 4,777,018	\$ 4,915,095	\$ 4,965,928	\$ (50,833)
Public works:				
Sanitation and waste removal:				
Sanitation	\$ 830,822	\$ 813,086	\$ 812,839	\$ 247
Litter control	11,000	11,000	4,289	6,711
Total sanitation and waste removal	\$ 841,822	\$ 824,086	\$ 817,128	\$ 6,958
Maintenance of general buildings and grounds:				
General properties	\$ 860,988	\$ 875,916	\$ 862,678	\$ 13,238
Total public works	\$ 1,702,810	\$ 1,700,002	\$ 1,679,806	\$ 20,196
Health and welfare:				
Health:				
Supplement of local health department	\$ 209,664	\$ 209,664	\$ 209,664	\$ -
Mental health and mental retardation:				
Community services board	\$ 88,644	\$ 88,644	\$ 88,644	\$ -
Welfare:				
Public assistance and welfare administration	\$ 1,857,397	\$ 1,857,397	\$ 1,834,671	\$ 22,726
Children's services act	697,867	699,542	526,770	172,772
SSG improvement association	50,000	45,000	44,604	396
Workforce development	134,135	75,676	80,509	(4,833)
Office on youth	267,522	252,146	249,316	2,830
Total welfare	\$ 3,006,921	\$ 2,929,761	\$ 2,735,870	\$ 193,891
Total health and welfare	\$ 3,305,229	\$ 3,228,069	\$ 3,034,178	\$ 193,891

County of Surry, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Schedule 2
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<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Education:				
Other instructional costs:				
Contributions to Community Colleges	\$ 6,233	\$ 6,233	\$ 1,233	\$ 5,000
Contribution to County School Board	13,067,757	13,267,098	13,100,530	166,568
Total education	\$ 13,073,990	\$ 13,273,331	\$ 13,101,763	\$ 171,568
Parks, recreation, and cultural:				
Parks and recreation:				
Recreation center	\$ 403,906	\$ 395,929	\$ 389,571	\$ 6,358
Marina	130,000	78,000	77,877	123
Total parks and recreation	\$ 533,906	\$ 473,929	\$ 467,448	\$ 6,481
Library:				
Contribution to regional library	\$ 161,147	\$ 161,147	\$ 161,151	\$ (4)
Total parks, recreation, and cultural	\$ 695,053	\$ 635,076	\$ 628,599	\$ 6,477
Community development:				
Planning and community development:				
Planning and zoning	\$ 467,201	\$ 474,144	\$ 473,272	\$ 872
Zoning board	2,284	384	27	357
Highway transportation safety commission	1,136	1,136	398	738
Planning district commission	12,095	8,095	8,008	87
Economic development	290,636	282,244	281,754	490
Tourism	212,355	178,374	178,123	251
Farmers market	13,400	18,400	18,203	197
Other planning and community development	571	571	27	544
Total planning and community development	\$ 999,678	\$ 963,348	\$ 959,812	\$ 3,536
Cooperative extension program:				
Extension office	\$ 74,793	\$ 58,793	\$ 60,243	\$ (1,450)
Total community development	\$ 1,074,471	\$ 1,022,141	\$ 1,020,055	\$ 2,086
Debt service:				
Principal retirement	\$ 1,610,000	\$ 1,610,000	\$ 1,610,000	\$ -
Interest and other fiscal charges	690,946	690,946	667,944	23,002
Total debt service	\$ 2,300,946	\$ 2,300,946	\$ 2,277,944	\$ 23,002
Total General Fund	\$ 31,479,752	\$ 31,876,741	\$ 31,489,883	\$ 386,858

County of Surry, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Schedule 2
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<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Special Revenue Fund:				
Public Safety:				
DEA task force	\$ 25,000	\$ 25,000	\$ 1,506	\$ 23,494
Total public safety	\$ 25,000	\$ 25,000	\$ 1,506	\$ 23,494
Community development				
Indoor plumbing program	\$ 11,730	\$ 11,730	\$ 15,016	\$ (3,286)
Economic development	80,000	80,000	88,410	(8,410)
Total community development	\$ 91,730	\$ 91,730	\$ 103,426	\$ (11,696)
Total Special Revenue Fund	\$ 116,730	\$ 116,730	\$ 104,932	\$ 11,798
County Capital Projects Fund:				
Capital projects:				
Technology upgrades	\$ -	\$ -	\$ 105,801	\$ (105,801)
Fleet vehicles	336,500	1,563,254	253,293	1,309,961
Athletic improvements	650,000	650,000	-	650,000
Architect and engineer services	500,000	1,065,000	-	1,065,000
Lighting and security upgrades	200,000	200,000	89,182	110,818
County capital projects	1,995,000	3,417,977	1,044,374	2,373,603
Radio system	-	5,911,103	3,534,683	2,376,420
Grayland property	-	262,500	267,994	(5,494)
Fire equipment	-	-	64,253	(64,253)
Accounting system	1,975,000	4,879,020	558,500	4,320,520
School capital projects	-	-	43,125	(43,125)
Total capital projects	\$ 5,656,500	\$ 17,948,854	\$ 5,961,205	\$ 11,987,649
Total County Capital Projects Fund	\$ 5,656,500	\$ 17,948,854	\$ 5,961,205	\$ 11,987,649
Total Primary Government	\$ 37,252,982	\$ 49,942,325	\$ 37,556,020	\$ 12,386,305

County of Surry, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Schedule 2
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<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Operating Costs:				
Administration, health, and attendance	\$ 1,290,659	\$ 1,335,659	\$ 1,371,749	\$ (36,090)
Instruction costs	11,898,972	12,279,125	12,131,253	147,872
Districtwide technology	763,755	1,042,343	1,320,266	(277,923)
Pupil transportation	1,173,337	1,598,337	1,389,886	208,451
Operation and maintenance of school plant	2,235,970	3,826,839	2,681,632	1,145,207
Total operating costs	<u>\$ 17,362,693</u>	<u>\$ 20,082,303</u>	<u>\$ 18,894,786</u>	<u>\$ 1,187,517</u>
Total education	<u>\$ 17,362,693</u>	<u>\$ 20,082,303</u>	<u>\$ 18,894,786</u>	<u>\$ 1,187,517</u>
Debt service:				
Principal retirement	\$ -	\$ -	\$ 21,403	\$ (21,403)
Interest and other fiscal charges	-	-	1,853	(1,853)
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,256</u>	<u>\$ (23,256)</u>
Total School Operating Fund	<u>\$ 17,362,693</u>	<u>\$ 20,082,303</u>	<u>\$ 18,918,042</u>	<u>\$ 1,164,261</u>
Special Revenue Funds:				
School Cafeteria Fund:				
Education:				
School food services:				
School food services	\$ 587,998	\$ 591,903	\$ 665,457	\$ (73,554)
Total School Cafeteria Fund	<u>\$ 587,998</u>	<u>\$ 591,903</u>	<u>\$ 665,457</u>	<u>\$ (73,554)</u>
School Activity Fund:				
Education:				
School activity funds:				
School Activity Funds	\$ -	\$ -	\$ 170,584	\$ (170,584)
Total school activity funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,584</u>	<u>\$ (170,584)</u>
Total School Activity Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,584</u>	<u>\$ (170,584)</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 17,950,691</u>	<u>\$ 20,674,206</u>	<u>\$ 19,754,083</u>	<u>\$ 920,123</u>

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STATISTICAL SECTION

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Statistical Section

Contents

Tables

Financial Trends

These tables contain trend information to help the reader understand how the the County's financial performance and well-being have changed over time.

1 - 4

Revenue Capacity

These tables contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.

5-8

Debt Capacity

These tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue debt in the future.

9-10

Demographic and Economic Information

These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

11-12

Operating Information

These tables contain information about the County's operations and resources to help the reader understand how the County's financial information relate to the services the County provides and the activities it performs.

13-15

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

COUNTY OF SURRY, VIRGINIA
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017	2018
Governmental activities				
Net investment in capital assets	\$ 4,678,557	\$ 5,764,238	\$ 6,655,370	\$ 9,400,418
Restricted	-	-	-	-
Unrestricted	15,045,158	14,793,362	15,856,084	14,275,872
Total governmental activities net position	<u>\$ 19,723,715</u>	<u>\$ 20,557,600</u>	<u>\$ 22,511,454</u>	<u>\$ 23,676,290</u>
Business-type activities				
Net investment in capital assets	\$ 5,165,477	\$ 5,021,173	\$ 5,409,740	\$ 450,268
Unrestricted	(26,024)	(36,137)	(1,464)	(12,070)
Total business-type activities net position	<u>\$ 5,139,453</u>	<u>\$ 4,985,036</u>	<u>\$ 5,408,276</u>	<u>\$ 438,198</u>
Primary Government				
Net investment in capital assets	\$ 9,844,034	\$ 10,785,411	\$ 12,065,110	\$ 9,850,686
Restricted	-	-	-	-
Unrestricted	15,019,134	14,757,225	15,854,620	14,263,802
Total Primary government net position	<u>\$ 24,863,168</u>	<u>\$ 25,542,636</u>	<u>\$ 27,919,730</u>	<u>\$ 24,114,488</u>

Table 1

2019	2020	2021	2022	2023	2024
\$ 11,006,048	\$ 17,192,612	\$ 14,515,163	\$ 15,815,687	\$ 14,328,126	\$ 23,321,831
-	-	-	-	69,274	109,978
14,250,518	9,208,214	8,326,325	8,583,340	14,537,630	10,292,390
\$ 25,256,566	\$ 26,400,826	\$ 22,841,488	\$ 24,399,027	\$ 28,935,030	\$ 33,724,199
\$ 425,407	\$ 400,546	\$ 3,711,920	\$ 3,601,514	\$ 3,491,108	\$ 3,380,703
(6,755)	(6,754)	18,108	45,820	59,665	165,206
\$ 418,652	\$ 393,792	\$ 3,730,028	\$ 3,647,334	\$ 3,550,773	\$ 3,545,909
\$ 11,431,455	\$ 17,593,158	\$ 18,227,083	\$ 19,417,201	\$ 17,819,234	\$ 26,702,534
-	-	-	-	69,274	109,978
14,243,763	9,201,460	8,344,433	8,629,160	14,597,295	10,457,596
\$ 25,675,218	\$ 26,794,618	\$ 26,571,516	\$ 28,046,361	\$ 32,485,803	\$ 37,270,108

COUNTY OF SURRY, VIRGINIA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017	2018
Expenses				
Governmental activities				
General government administration	\$ 1,991,967	\$ 2,132,002	\$ 1,917,740	\$ 1,964,276
Judicial administration	748,445	773,107	888,575	873,741
Public safety	3,328,127	2,918,282	3,290,894	3,606,834
Public works	87,783	1,413,326	1,557,463	1,422,039
Health and welfare	2,441,740	2,303,706	2,320,721	2,302,899
Community development	533,375	531,693	1,018,108	516,728
Parks, Recreation and cultural	576,999	1,176,469	(139,681)	632,537
Education	12,149,458	12,463,776	12,055,007	13,088,905
Interest and other financial charges	1,024,436	562,721	538,332	505,507
Total governmental activities	<u>\$ 22,882,330</u>	<u>\$ 24,275,082</u>	<u>\$ 23,447,159</u>	<u>\$ 24,913,466</u>
Business-type activities				
Water and Sewer	\$ 489,378	\$ 457,130	\$ 521,937	\$ 5,131,464
Total business-type activities	<u>\$ 489,378</u>	<u>\$ 457,130</u>	<u>\$ 521,937</u>	<u>\$ 5,131,464</u>
Total primary government expenses	<u><u>\$ 23,371,708</u></u>	<u><u>\$ 24,732,212</u></u>	<u><u>\$ 23,969,096</u></u>	<u><u>\$ 30,044,930</u></u>
Program Revenues				
Governmental activities				
Charges for services:				
General government administration	\$ 295	\$ 276	\$ 16,429	\$ 14,928
Judicial administration	69,629	45,947	66,032	43,015
Public safety	59,880	47,887	58,176	62,557
Public works	45,556	42,663	35,100	39,897
Parks, recreation and cultural	52,662	63,891	31,916	20,837
Community development	10,208	-	-	-
Operating grants and contributions	2,535,110	2,345,604	2,586,006	2,619,000
Capital Grants and contributions	20,805	322,950	-	-
Total governmental activities	<u>\$ 2,794,145</u>	<u>\$ 2,869,218</u>	<u>\$ 2,793,659</u>	<u>\$ 2,800,234</u>
Business-type activities				
Charges for services:				
Water and Sewer	\$ 197,263	\$ 134,154	\$ 150,495	\$ 64,486
Total business-type activities	<u>\$ 197,263</u>	<u>\$ 134,154</u>	<u>\$ 150,495</u>	<u>\$ 64,486</u>
Total primary government revenues	<u><u>\$ 2,991,408</u></u>	<u><u>\$ 3,003,372</u></u>	<u><u>\$ 2,944,154</u></u>	<u><u>\$ 2,864,720</u></u>

Table 2
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2019	2020	2021	2022	2023	2024
\$ 2,078,003	\$ 2,136,398	\$ 2,999,747	\$ 3,217,674	\$ 3,487,373	\$ 5,657,566
911,831	1,008,861	1,112,591	1,039,743	1,020,879	1,239,939
3,577,148	4,006,059	3,816,148	4,333,212	5,403,117	4,573,412
1,640,550	1,467,102	1,911,937	1,675,724	1,824,385	1,740,218
2,379,011	3,115,050	3,727,137	2,958,383	2,996,979	2,972,716
1,265,986	813,042	3,778,239	3,774,168	1,079,793	1,147,041
722,787	684,751	646,076	574,238	1,378,199	867,270
12,362,185	13,195,678	12,094,027	12,616,856	13,034,202	13,281,762
634,730	650,388	1,185,422	544,011	509,196	472,177
\$ 25,572,231	\$ 27,077,329	\$ 31,271,324	\$ 30,734,009	\$ 30,734,123	\$ 31,952,101
\$ 161,575	\$ 190,291	\$ 278,972	\$ 289,489	\$ 275,356	\$ 196,236
\$ 161,575	\$ 190,291	\$ 278,972	\$ 289,489	\$ 275,356	\$ 196,236
\$ 25,733,806	\$ 27,267,620	\$ 31,550,296	\$ 31,023,498	\$ 31,009,479	\$ 32,148,337
\$ 145	\$ 186	\$ 123	\$ 208	\$ 89	\$ 36
67,947	38,646	44,978	51,881	59,811	40,647
267,105	235,428	281,273	391,453	642,130	405,485
25,908	7,694	13,971	10,792	11,732	10,985
22,677	16,943	690	17,768	18,660	22,397
-	-	-	-	-	-
2,538,393	2,976,278	3,929,094	3,192,620	3,434,535	3,629,726
-	967,420	950,313	1,535,956	-	-
\$ 2,922,175	\$ 4,242,595	\$ 5,220,442	\$ 5,200,678	\$ 4,166,957	\$ 4,109,276
\$ 58,839	\$ 55,816	\$ 50,038	\$ 69,624	\$ 96,695	\$ 150,732
\$ 58,839	\$ 55,816	\$ 50,038	\$ 69,624	\$ 96,695	\$ 150,732
\$ 2,981,014	\$ 4,298,411	\$ 5,270,480	\$ 5,270,302	\$ 4,263,652	\$ 4,260,008

COUNTY OF SURRY, VIRGINIA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017
Net (Expense)/Revenue			
Governmental activities	\$ (20,088,185)	\$ (21,405,864)	\$ (20,653,500)
Business-type activities	(292,115)	(322,976)	(371,442)
Total primary government net expense	<u>\$ (20,380,300)</u>	<u>\$ (21,728,840)</u>	<u>\$ (21,024,942)</u>

General Revenues and Other Changes in Net Position

Governmental Activities:

Taxes

Property taxes	\$ 20,966,352	\$ 20,744,418	\$ 21,725,342
Other local taxes	644,424	706,543	610,920
Investment earnings	94,049	154,325	226,484
Miscellaneous	55,082	54,442	70,236
Non-categorical aid from the Commonwealth	771,419	769,719	769,054
Transfers	(150,793)	(168,559)	(794,682)
Total governmental activities	<u>\$ 22,380,533</u>	<u>\$ 22,260,888</u>	<u>\$ 22,607,354</u>

Business-type activities

Capital contributions	\$ -	\$ -	\$ -
Transfers	150,793	168,559	794,682
Total business-type activities	<u>\$ 150,793</u>	<u>\$ 168,559</u>	<u>\$ 794,682</u>
Total primary government	<u><u>\$ 22,531,326</u></u>	<u><u>\$ 22,429,447</u></u>	<u><u>\$ 23,402,036</u></u>

Changes in Net Position

Governmental activities	\$ 2,292,348	\$ 855,024	\$ 1,953,854
Business-type activities	(141,322)	(154,417)	423,240
Total primary government	<u>\$ 2,151,026</u>	<u>\$ 700,607</u>	<u>\$ 2,377,094</u>

2018	2019	2020	2021	2022	2023	2023
\$ (22,113,232)	\$ (22,650,056)	\$ (22,834,734)	\$ (26,050,882)	\$ (25,533,331)	\$ (26,567,166)	\$ (27,842,825)
(5,066,978)	(102,736)	(134,475)	(228,934)	(219,865)	(178,661)	(45,504)
\$ (27,180,210)	\$ (22,752,792)	\$ (22,969,209)	\$ (26,279,816)	\$ (25,753,196)	\$ (26,745,827)	\$ (27,888,329)

\$ 21,766,374	\$ 21,551,518	\$ 22,140,946	\$ 22,939,954	\$ 24,591,548	\$ 26,295,256	\$ 27,443,951
780,408	1,126,200	1,118,145	1,057,335	1,445,077	1,701,749	2,148,839
368,134	701,171	452,566	190,882	175,541	1,650,247	1,484,549
164,975	156,952	315,529	925,865	324,139	737,758	820,602
776,502	777,681	761,013	787,825	762,090	729,905	774,693
(96,900)	(83,190)	(109,615)	(143,390)	(137,171)	(82,100)	(40,640)
\$ 23,759,493	\$ 24,230,332	\$ 24,678,584	\$ 25,758,471	\$ 27,161,224	\$ 31,032,815	\$ 32,631,994

\$ -	\$ -	\$ -	\$ 154,853	\$ -	\$ -	\$ -
96,900	83,190	109,615	143,390	137,171	82,100	40,640
\$ 96,900	\$ 83,190	\$ 109,615	\$ 298,243	\$ 137,171	\$ 82,100	\$ 40,640
\$ 23,856,393	\$ 24,313,522	\$ 24,788,199	\$ 26,056,714	\$ 27,298,395	\$ 31,114,915	\$ 32,672,634

\$ 1,646,261	\$ 1,580,276	\$ 1,843,850	\$ (292,411)	\$ 1,627,893	\$ 4,465,649	\$ 4,789,169
(4,970,078)	(19,546)	(24,860)	69,309	(82,694)	(96,561)	(4,864)
\$ (3,323,817)	\$ 1,560,730	\$ 1,818,990	\$ (223,102)	\$ 1,545,199	\$ 4,369,088	\$ 4,784,305

COUNTY OF SURRY, VIRGINIA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2015	2016	2017	2018
General fund				
Restricted	\$ -	\$ -	\$ -	\$ -
Committed	5,889,072	4,480,761	6,509,370	7,372,426
Assigned	-	-	-	-
Unassigned	12,593,041	13,442,281	12,813,118	12,783,307
Total general fund	<u>\$ 18,482,113</u>	<u>\$ 17,923,042</u>	<u>\$ 19,322,488</u>	<u>\$ 20,155,733</u>
All other governmental funds				
Committed	\$ 3,620,347	\$ 2,254,813	\$ 1,576,782	\$ -
Assigned	29,403	35,567	42,611	42,785
Unassigned	-	-	-	(618,860)
Total all other governmental funds	<u>\$ 3,649,750</u>	<u>\$ 2,290,380</u>	<u>\$ 1,619,393</u>	<u>\$ (576,075)</u>

Table 3

2019	2020	2021	2022	2023	2024
\$ -	\$ -	\$ -	\$ -	\$ 69,274	\$ 109,978
9,900,350	11,093,362	8,130,065	12,313,115	-	-
-	-	-	-	9,700,787	10,022,438
10,494,377	7,881,289	10,096,160	7,077,703	10,700,901	10,722,881
\$ 20,394,727	\$ 18,974,651	\$ 18,226,225	\$ 19,390,818	\$ 20,470,962	\$ 20,855,297
\$ 3,302,030	\$ 520,373	\$ 6,579,075	\$ 5,879,658	\$ 7,905,949	\$ 6,053,752
36,094	36,094	52,729	-	-	-
-	(758,567)	-	(38,707)	(38,698)	(53,709)
\$ 3,338,124	\$ (202,100)	\$ 6,631,804	\$ 5,840,951	\$ 7,867,251	\$ 6,000,043

COUNTY OF SURRY, VIRGINIA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2015	2016	2017	2018
Revenues				
General property taxes	\$ 21,119,861	\$ 20,939,138	\$ 21,692,941	\$ 21,670,403
Other local taxes	644,424	706,543	610,920	780,408
Permits, privilege fees and licenses	59,555	37,354	39,843	49,723
Fines and Forfeitures	30,963	20,043	43,375	34,210
Revenue from use of money & property	94,049	154,325	226,484	368,134
Charges for services	147,712	143,267	124,435	97,301
Miscellaneous	55,082	54,442	70,236	164,975
Recovered costs	700	29,588	20,149	95,520
Commonwealth of Virginia	2,316,990	2,173,971	2,410,290	2,466,263
Federal Government	1,010,344	1,264,302	944,770	929,239
Total revenues	\$ 25,479,680	\$ 25,522,973	\$ 26,183,443	\$ 26,656,176
Expenditures				
General government administration	\$ 1,411,117	\$ 1,655,003	\$ 1,433,635	\$ 1,655,924
Judicial administration	436,324	476,120	570,201	565,128
Public Safety	3,031,347	2,968,027	3,054,207	3,289,980
Public works	1,164,473	1,290,413	1,510,054	1,407,940
Health and welfare	2,417,346	2,340,943	2,279,521	2,301,035
Education	11,758,980	12,145,887	11,871,307	12,758,905
Community development	688,660	694,471	563,922	597,532
Parks, recreation and cultural	518,254	521,082	524,311	504,458
Capital projects	2,245,537	3,288,574	954,910	2,948,838
Debt service:				
Principal	13,339,050	1,045,000	1,085,000	1,125,000
Interest and other fiscal charges	1,190,219	847,335	813,234	766,759
Total Expenditures	\$ 38,201,307	\$ 27,272,855	\$ 24,660,302	\$ 27,921,499
Revenues over (under) expenditures	\$ (12,721,627)	\$ (1,749,882)	\$ 1,523,141	\$ (1,265,323)
Other financing sources (uses)				
Transfers in	\$ -	\$ 1,549,848	\$ 80,000	\$ 428,097
Transfers out	(150,793)	(1,718,407)	(874,682)	(524,997)
Issuance of bonds	18,316,117	-	-	-
Bond issuance premium	-	-	-	-
Payment to refunding bond agent	-	-	-	-
Total other financing sources (uses)	\$ 18,165,324	\$ (168,559)	\$ (794,682)	\$ (96,900)
Net change in fund balances	\$ 5,443,697	\$ (1,918,441)	\$ 728,459	\$ (1,362,223)
Debt service as a percentage of noncapital expenditures	39.61%	7.78%	7.97%	7.43%

Table 4

2019		2020		2021		2022		2023		2024	
\$	21,600,237	\$	22,023,784	\$	23,138,148	\$	24,660,651	\$	26,112,350	\$	26,661,751
	1,126,200		1,118,145		1,057,335		1,445,077		1,701,749		2,148,839
	57,890		38,408		79,962		185,901		482,391		144,310
	59,254		31,272		35,900		42,752		51,006		35,186
	701,171		452,566		190,882		175,664		1,650,247		1,484,549
	266,638		229,217		225,173		243,449		199,025		300,054
	156,952		315,529		925,865		324,139		684,139		820,602
	23,781		35,967		58,622		65,545		155,742		151,696
	2,394,276		2,629,458		3,585,365		4,186,123		2,933,812		3,142,389
	921,798		2,075,253		2,081,867		1,304,543		1,206,052		1,224,411
\$	27,308,197	\$	28,949,599	\$	31,379,119	\$	32,633,844	\$	35,176,513	\$	36,113,787
\$	1,815,006	\$	1,858,332	\$	2,030,298	\$	2,658,554	\$	3,205,228	\$	3,850,932
	625,561		660,930		707,203		747,537		779,714		930,678
	3,398,314		3,543,384		3,557,728		3,807,481		4,229,664		4,967,434
	1,554,097		1,564,133		1,650,682		1,596,296		1,613,048		1,679,806
	2,433,879		3,029,935		3,573,667		3,024,030		3,043,022		3,034,178
	12,138,405		12,106,306		11,926,855		12,429,222		12,864,200		13,101,763
	692,578		628,855		1,896,200		1,452,587		1,029,326		1,123,481
	773,470		755,205		515,986		468,228		538,986		628,599
	4,236,211		7,554,938		3,456,744		3,658,958		2,399,276		5,961,205
	1,055,000		1,165,000		1,225,000		1,510,000		1,565,000		1,610,000
	840,248		933,265		2,282,753		770,040		720,505		667,944
\$	29,562,769	\$	33,800,283	\$	32,823,116	\$	32,122,933	\$	31,987,969	\$	37,556,020
\$	(2,254,572)	\$	(4,850,684)	\$	(1,443,997)	\$	510,911	\$	3,188,544	\$	(1,442,233)
\$	1,490,945	\$	2,778,618	\$	3,661,588	\$	1,804,367	\$	3,179,093	\$	2,819,000
	(1,574,135)		(2,888,233)		(3,804,978)		(1,941,538)		(3,261,193)		(2,859,640)
	5,875,000		-		14,830,000		-		-		-
	615,955		-		847,865		-		-		-
	-		-		(8,005,000)		-		-		-
\$	6,407,765	\$	(109,615)	\$	7,529,475	\$	(137,171)	\$	(82,100)	\$	(40,640)
\$	4,153,193	\$	(4,960,299)	\$	6,085,478	\$	373,740	\$	3,106,444	\$	(1,482,873)
	7.27%		7.65%		11.12%		7.68%		7.74%		6.49%

COUNTY OF SURRY, VIRGINIA
Principal Real Property Taxpayers
Current and Nine Years Ago

Table 5

Taxpayer	2024			2015		
	Rank	Assessed Valuation (1)	Percentage of Total Assessed Valuation	Rank	Assessed Valuation (2)	Percentage of Total Assessed Valuation
Dominion/ VEPCO	1	\$ 2,197,092,555	67.21%	1	\$ 1,760,038,267	66.12%
New Sustainable Property Holdings, LLC	2	41,740,800	1.28%			0.00%
Cavalier Solar A, LLC	3	33,809,475	1.03%			0.00%
Spring Grove Solar, LLC	4	32,805,400	1.00%			0.00%
Schorsch/Meadow Court Trust/Swann's Point/YMIS LLC/Surry Landing LLC	5	24,635,800	0.75%	2	25,212,700	0.95%
Wanro LLC/Clairemont LLC/Montclare LLC	6	13,894,200	0.42%	3	11,044,400	0.41%
Beechland Farms/Alliance Farms/Bacons Castle LLC/Colonial Ag/Cheriton Farms/Berryman	7	13,663,200	0.42%	4	9,591,500	0.36%
Smithfield Hog Production/Smithfield-Carrolls	8	13,553,400	0.41%	5	8,813,100	0.33%
Prince George Electric Cooperative	9	11,173,277	0.34%	6	8,732,784	0.33%
Timbervest Partners (III) of VA LLC	10	7,809,200	0.24%	7	8,365,200	0.31%
Windsor Mill	11	6,571,700	0.20%	8	5,135,500	0.19%
Columbia Gas Transmission	12	5,626,806	0.17%			0.00%
Andrews Acres LLC/Andrews Acres II LLC/Andrews	13	5,224,000	0.16%			0.00%
John Hancock Mutual Life Insurance	14	4,409,600	0.13%	11	3,861,200	0.15%
Sussex Surry LLC/Brandon Trust/Brandon	15	3,375,100	0.10%	9	4,139,600	0.16%
Verizon South	16	3,145,494	0.10%	12	3,346,668	0.13%
Grayland/Gray Lumber Co.			0.00%	10	4,067,000	0.15%
Commonwealth Forest Investment			0.00%	13	3,276,800	0.12%
Spring Grove Land Association			0.00%	14	3,209,800	0.12%
		<u>\$ 2,418,530,007</u>	<u>73.98%</u>		<u>\$ 1,858,834,519</u>	<u>69.83%</u>
Total Assessed Valuation of RE		<u>\$ 3,269,226,883</u>	<u>100.00%</u>		<u>\$ 2,662,002,981</u>	<u>100.00%</u>

Notes:

(1) 2024 Real Estate Assessments.

(2) 2015 Real Estate Assessments.

COUNTY OF SURRY, VIRGINIA
Property Tax Levies and Collections
Last Ten Fiscal Years

Table 6

Fiscal Year	Taxes Levied for the Fiscal Year (1)	Collections within the Fiscal Year of the Levy		Adjustments to Levy in Subsequent Years	Total Adjusted Levy	Collections in Subsequent Years	Total Collections to Date	
		Amount (2)	Percentage of Levy				Amount (2)	Percentage of Levy
2024	\$ 27,073,889	\$ 26,150,963	96.59%	\$ -	27,073,889	\$ -	26,150,963	96.59%
2023	26,272,878	25,689,214	97.78%	-	26,272,878	\$ -	25,689,214	97.78%
2022	24,602,613	24,265,537	98.63%	-	24,602,613	-	24,265,537	98.63%
2021	22,639,708	22,617,499	99.90%	-	22,639,708	-	22,617,499	99.90%
2020	22,050,583	21,635,774	98.12%	-	22,050,583	-	21,635,774	98.12%
2019	21,468,868	21,132,164	98.43%	-	21,468,868	-	21,132,164	98.43%
2018	21,954,582	21,554,346	98.18%	-	21,954,582	-	21,554,346	98.18%
2017	22,454,884	21,909,904	97.57%	-	22,454,884	-	21,909,904	97.57%
2016	21,650,045	20,775,506	95.96%	-	21,650,045	-	20,775,506	95.96%
2015	20,874,695	20,472,352	98.07%	-	20,874,695	-	20,472,352	98.07%

Notes:

- (1) Commissioner of the Revenue
- (2) Exclusive of Penalties and Interest

COUNTY OF SURRY, VIRGINIA

Table 7

Assessed and Estimated Actual Value of Real Property
Last Ten Fiscal Years

Tax Year	Residential/ Agricultural Property (3)	Commercial Property (3)	Total Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Value (1)	Taxable Assessed Value as a % of Taxable Value
2024	\$ 1,218,804,500	\$ 44,460,300	\$ 1,263,264,800	\$ 0.71	\$ 1,263,264,800	100.00% (2)
2023	1,209,311,400	43,149,600	1,252,461,000	0.71	1,252,461,000	100.00% (2)
2022	1,070,814,100	41,913,800	1,112,727,900	0.72	1,112,727,900	100.00% (2)
2021	929,841,600	35,157,400	964,999,000	0.77	964,999,000	100.00% (2)
2020	926,215,300	34,778,200	960,993,500	0.71	960,993,500	100.00% (2)
2019	914,088,000	35,866,600	949,954,600	0.71	949,954,600	100.00% (2)
2018	892,809,300	34,673,900	927,483,200	0.71	927,483,200	100.00% (2)
2017	888,941,000	34,205,000	923,146,000	0.71	923,146,000	100.00% (2)
2016	883,676,800	34,266,700	917,943,500	0.71	917,943,500	100.00% (2)
2015	857,689,600	33,269,100	890,958,700	0.73	890,958,700	100.00% (2)

Notes:

- (1) Estimated value of real estate based on sales ratio percentage for the corresponding tax years as computed by the Virginia Department of Taxation.
- (2) Tax rate per \$100 of assessed value.
- (3) Real estate assessment information provided by the commissioner of the revenue.

COUNTY OF SURRY, VIRGINIA
Assessed Value of Taxable Property Other than Real Property
Last Ten Fiscal Years

Table 8

Fiscal Year	Personal Property (1)	Machinery & Tools (1)	Aircraft (1)	Public Service (2,3)	Total
2024	\$ 84,426,653	\$ 2,147,435	\$ 555	\$ 2,189,660,227	\$ 2,276,234,870
2023	90,695,866	2,276,270	615	2,156,940,126	2,249,912,877
2022	67,990,827	2,398,886	685	1,995,996,993	2,066,387,391
2021	60,515,225	2,431,696	1,135	2,049,700,758	2,112,648,814
2020	59,678,167	2,813,507	1,260	1,935,274,114	1,997,767,048
2019	56,830,130	2,255,765	1,400	1,892,813,173	1,951,900,468
2018	54,401,525	2,366,490	4,005	1,927,140,899	1,983,912,919
2017	53,527,229	2,876,946	4,450	1,937,479,967	1,993,888,592
2016	51,381,116	2,228,648	4,945	1,785,663,243	1,839,277,952
2015	50,593,919	2,246,971	6,780	1,807,206,155	1,860,053,825

Notes:

- (1) Assessed value information provided by the Commissioner of Revenue.
(2) Public Service Corporation property assessments performed by the State Corporation Commission.
(3) Includes Real Estate.

FY 2021 Public Service includes the Dominion VEPCO supplement.

COUNTY OF SURRY, VIRGINIA
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Table 9

Fiscal Year	Governmental Activities				Business-Type Activities	Summary Totals		
	General Obligation Bonds	Capital Lease Obligations	Lease Revenue Bonds Payable	Bank Loans Payable	Revenue Bonds Payable	Total Primary Government	Percentage of Personal Income (1)	Per Capita Personal Income (1)
2024	\$ 1,062,420	\$ -	\$ 19,341,773	\$ -	\$ -	\$ 20,404,193	5.59%	\$ 55,483
2023	1,245,904	-	20,948,536	-	-	22,194,440	6.49%	52,228
2022	1,419,388	-	22,536,700	-	-	23,956,088	7.07%	51,916
2021	1,582,872	-	24,095,460	-	-	25,678,332	8.39%	46,863
2020	1,736,356	-	18,562,319	-	-	20,298,675	7.08%	44,647
2019	1,884,841	-	19,845,387	-	-	21,730,228	7.23%	46,413
2018	2,023,325	-	14,526,873	-	-	16,550,198	5.96%	42,427
2017	2,285,293	-	16,989,454	-	597,742	19,872,489	7.54%	41,337
2016	2,403,777	-	18,191,382	-	662,613	21,257,772	7.75%	40,509
2015	2,517,261	-	1,029,050	12,200,000	725,452	16,471,763	6.43%	38,374

Notes:

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) Population data & estimates for 2008 through 2016, and personal income and per capital personal income data for 2008 through 2016 were obtained from the Bureau of Economic Analysis.

COUNTY OF SURRY, VIRGINIA
Ratio of Outstanding General Bonded Debt
Last Ten Fiscal Years

Table 10

Fiscal Year	General Obligation Bonds	Lease Revenue Bond Payable	Total General Bonded Debt	General Bonded Debt Per Capita	Percent of General Bonded Debt to Assessed Real Property Value
2024	\$ 1,062,420	\$ 19,341,773	\$ 20,404,193	3,101	1.62%
2023	1,245,904	20,948,536	22,194,440	3,387	1.77%
2022	1,419,388	22,536,700	23,956,088	3,670	2.15%
2021	1,582,872	24,095,460	25,678,332	3,932	2.66%
2020	1,736,356	18,562,319	20,298,675	3,094	2.11%
2019	1,884,841	19,845,387	21,730,228	3,384	2.29%
2018	2,023,325	14,526,873	16,550,198	2,556	1.78%
2017	2,153,325	15,768,196	17,921,521	2,740	1.94%
2016	2,285,293	16,989,454	19,274,747	2,934	2.10%
2015	2,403,777	18,191,382	20,595,159	3,088	2.31%

Notes

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

Property value data can be found in Table 7.

Population data can be found in Table 11.

COUNTY OF SURRY, VIRGINIA
Demographic and Economic Statistics
Last Ten Years

Table 11

Fiscal Year	(3) Population	(1) Per Capita Income	(1) Total Personal Income	(2) School Enrollment	(3) Unemployment Rate %
2024	6,579	\$ 55,483	\$ 365,020,000	654	3.1%
2023	6,552	52,228	342,198,000	652	2.7%
2022	6,527	51,916	338,854,000	630	3.1%
2021	6,530	46,863	306,014,000	628	3.8%
2020	6,561	43,701	286,722,000	693	7.5%
2019	6,422	46,789	300,479,000	715	3.9%
2018	6,474	46,413	300,479,000	729	3.9%
2017	6,540	42,427	277,471,000	826	4.8%
2016	6,570	40,139	263,711,000	837	5.3%
2015	6,670	41,141	274,412,000	867	5.1%

Notes: (1) Bureau of Economic Analysis
(2) Virginia Department of Education
(3) Virginia Labor Market Information (LMI)

COUNTY OF SURRY, VIRGINIA
Principal Employers
Current Year and Nine Years Ago

Table 12

Employer	Fiscal Year 2024			Fiscal Year 2015	
	Employees	Rank	% of Total Employment	Employees	Rank
Dominion Virginia Power	500-999	1	33.80%	500-999	1
The Atlantic Group Inc.	250-499	2	16.90%	100-249	3
Surry County School Board	250-499	3	16.90%	250-499	2
Surry County	100-249	4	7.89%	100-249	4
Windsor Mill	50-99	5	3.38%	20-49	9
Virginia Department of Transportation	50-99	6	3.38%	50-99	5
The Surry Seafood Company	20-49	7	1.58%		
Coggin Electric Specialists	20-49	8	1.58%	10-19	14
Dominion Resources	20-49	9	1.58%	20-49	12
Surry County Department of Social Services	20-49	10	1.58%	20-49	10
Wectec Staffing Services LLC	20-49	11	1.58%		
Peoplease Corp	20-49	12	1.58%		
Spring Grove Timber And Mat	20-49	13	1.58%		
Virginia Department of Conservation	20-49	13	1.58%	20-49	11
Glen Court	20-49	14	1.58%		
Virginia Department of Conservation	20-49	15	1.58%	20-49	11
Brock Services, LLC				50-99	6
S.W. Edwards and Sons				50-99	8
Fluor Daniel Services Corporation				50-99	7
Seward Lumber Company Inc.				20-49	13
Nicholas & Shelly Schorsch				10-19	15

Source: Virginia Employment Commission

Full-Time Equivalent County Government Employees by Function/Program
Last Ten Fiscal Years

	Full-Time Equivalent Employees as of June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General government:										
County Administration	4.0	4.0	4.8	4.0	4.0	3.3	3.9	3.9	3.9	4.0
County Attorney	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commissioner of the Revenue	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Treasurer	4.0	4.0	4.0	4.7	3.7	3.7	3.7	4.0	4.0	4.6
Finance	4.0	4.0	5.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Human Resources	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Information Technologies	3.6	3.6	3.6	2.0	2.0	2.0	1.0	1.0	1.0	1.0
Registrar	2.0	2.0	2.0	1.6	1.6	1.6	1.6	1.6	1.6	1.4
Total General Government	24.8	24.8	22.6	17.5	16.5	15.8	15.4	15.7	15.7	16.2
Judicial Administration:										
Clerk of the Circuit Court	4.0	4.0	4.0	3.4	3.4	3.4	3.4	3.3	3.3	3.5
General District Court	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.0
Victim Witness	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.5
Commonwealth Attorney	2.8	2.8	2.8	2.8	2.0	2.0	2.0	2.0	2.0	1.5
Total Judicial Administration	10.1	10.1	10.1	9.5	8.7	8.7	8.7	8.6	8.6	7.5
Public Safety:										
Sheriff's Office	29.3	29.3	29.3	28.3	27.3	27.3	27.3	26.3	26.3	24.4
Fire and Emergency Services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.1
Animal Control	3.0	3.0	2.6	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Total Public Safety	35.3	35.3	34.9	34.3	33.3	33.3	33.3	32.3	32.3	29.5
Public Works:										
Sanitation	12.1	12.1	12.1	12.1	13.4	14.4	14.4	14.4	12.7	10.0
Maintenance	6.0	6.0	7.0	7.0	6.0	4.7	4.7	4.7	4.7	5.0
Total Public Works	18.1	18.1	19.1	19.1	19.4	19.1	19.1	19.1	17.4	15.0
Office on Youth:										
Office on Youth	3.0	4.0	4.0	5.0	6.0	6.0	6.0	6.0	6.0	5.0
Total Office on Youth	3.0	4.0	4.0	5.0	6.0	6.0	6.0	6.0	6.0	5.0
Health and Welfare:										
Social Services	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0
Total Health and Welfare	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0
Parks, Recreation and Cultural										
Parks and Recreation	4.0	5.0	5.0	5.0	6.4	6.4	6.4	6.4	6.4	6.0
Total Parks, Recreation and Cultural	4.0	5.0	5.0	5.0	6.4	6.4	6.4	6.4	6.4	6.0
Community Development										
Planning/Environmental/Permitting	4.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0	3.0
Economic Development	3.0	2.0	4.4	4.4	1.5	2.0	0.1	0.1	0.1	N/A
Tourism	1.5	2.0	0.0	0.0	1.6	N/A	N/A	N/A	N/A	N/A
Building Inspections	3.0	3.0	4.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Extension	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0
Total Community Development	14.5	15.0	16.4	14.4	12.1	11.0	9.1	9.1	9.1	9.0
Total	132.8	135.3	135.1	127.8	125.4	123.3	121.0	120.2	118.5	111.2

Source: Payroll Clerk

COUNTY OF SURRY, VIRGINIA
Operating Indicators by Function
Last Ten Fiscal Years (where available)

Table 14

		Fiscal Year									
		2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Public Safety (1)	Number of calls answered	305	261	377	295	239	331	318	189	321	276
Community Development (2)	Residential building permits	397	370	365	295	233	307	219	217	255	208
	Commercial building permits	12	11	13	5	2	2	5	3	2	7
Parks & Recreation (3)	Program participants	18,737	13,744	7,768	986	14,592	20,150	20,144	19,850	19,850	18,500
Sewer (4)	Service connections	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	141	155
	Average daily consumption in gallons	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	14,152	17,504
Sources:	(1) County Fire Departments (2) Building Official's Office (3) Parks and Recreation Department (4) Finance Department										
Note:	The wastewater system was transferred to Hampton Roads Sanitation District (HRSD) in FY2017-18.										

COUNTY OF SURRY, VIRGINIA
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Table 15

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Sheriff's Office (1)										
Number of stations	1	1	1	1	1	1	1	1	1	1
Physical arrests	36	123	64	173	155	170	170	170	164	144
Patrol units	15	15	15	15	14	14	14	14	14	13
Volunteer Fire Departments (2)										
Companies	4	4	4	4	4	4	4	4	4	4
Stations	4	4	4	4	4	4	4	4	4	4
Parks and Recreation (3)										
Community Centers	1	1	1	1	1	1	1	1	1	1
Number of parks maintained	1	1	1	1	1	1	1	1	1	1
Park acreage owned by the County	100	100	100	100	100	100	100	100	100	100
Baseball/softball fields	2	2	2	2	2	2	2	2	2	2
T-ball fields	1	1	1	1	1	1	1	1	1	1
Soccer fields	5	5	5	5	5	5	5	5	5	5
Basketball courts	3	3	3	3	3	3	3	3	3	3
Library (4)										
Number of libraries	2	2	2	2	2	2	2	2	2	2
Public Utilities (4)										
Wastewater System										
Service connections	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	141	155
Average daily consumption in gallons	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	14,152	17,504
Miles of sewer main	3.64	3.64	3.64	3.64	3.64	3.64	3.64	3.64	3.64	3.64
Component Unit - School Board (5)										
Number of elementary schools	1	1	1	1	1	1	1	1	1	1
Number of middle schools	1	1	1	1	1	1	1	1	1	1
Number of secondary schools	1	1	1	1	1	1	1	1	1	1
Number of school buses	37	37	37	40	42	40	35	38	35	33

- Source (1) Sheriff's Office
(2) County Fire Departments
(3) Parks & Recreation Department
(4) Finance Department
(5) School Board Office

Note:

The wastewater system was transferred to Hampton Roads Sanitation District (HRSD) in FY2017-18.

COMPLIANCE SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Surry, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise County of Surry, Virginia's basic financial statements, and have issued our report thereon dated September 3, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered County of Surry, 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 County of Surry, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Surry, 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 have not been identified. We did identify a certain deficiency in internal control described in the accompanying schedule of findings and questioned costs as 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

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

A handwritten signature in black ink that reads "Robinson, Farmer, Cox Associates". The signature is written in a cursive, flowing style.

Richmond, Virginia
September 3, 2025

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding County of Surry, Virginia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of County of Surry, Virginia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of County of Surry, 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.

Report on Internal Control over Compliance (Continued)

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

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

Robinson, Farmer, Cox Associates

Richmond, Virginia
September 3, 2025

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

Federal Grantor/State Pass - Through Grantor/ Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass Through Payments:			
Virginia Department of Social Services:			
Guardianship Assistance	93.090	1110123/1110124	\$ 183
Title IV-E Prevention Program	93.472	1140123/1140124	2,536
Temporary Assistance for Needy Families	93.558	0400123/0400124	137,250
Marylee Allen Promoting Safe and Stable Families Program	93.556	0950122/0950123	13,185
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500123/0500124	675
Low-Income Home Energy Assistance	93.568	0600423	33,790
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF Cluster)	93.596	0760123/0760124	31,307
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900122/0900123	123
Foster Care - Title IV-E	93.658	1100123/1100124	88,784
Adoption Assistance	93.659	1120123/1120124	22,742
Social Services Block Grant	93.667	1000123/1000124	193,137
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150122/ 9150123	1,344
Elder Abuse Prevention Interventions Program	93.747	8000221/8000321	16,018
Children's Health Insurance Program	93.767	0540124	2,189
Medical Assistance Program (Medicaid Cluster)	93.778	1200123/1200124	214,356
Total Department of Health and Human Services			<u>\$ 757,619</u>
Department of Homeland Security:			
Pass Through Payments:			
Virginia Department of Emergency Management:			
COVID-19 - Emergency Management Performance Grant	97.042	77501	<u>\$ 7,144</u>
Department of Justice:			
Pass Through Payments:			
Virginia Department of Criminal Justice Services:			
Crime Victim Assistance	16.575	Unavailable	\$ 54,537
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Unavailable	<u>966</u>
Total Department of Justice			<u>\$ 55,503</u>
Department of Transportation:			
Pass Through Payments:			
Virginia Department of Transportation:			
Virginia Department of Motor Vehicles			
State and Community Highway Safety (Highway Safety Cluster)	20.600	Unavailable	<u>\$ 1,712</u>
Department of the Defense:			
Direct Payments:			
Junior ROTC	12.U01	N/A	<u>\$ 63,772</u>
Department of Agriculture:			
Pass Through Payments:			
Virginia Department of Education:			
Summer Food Service Program for Children (Child Nutrition Cluster)	10.559	202323N11994	\$ 33,160
COVID-19 - Summer Food Service Program for Children (Child Nutrition Cluster)	10.559	Unavailable	<u>1,091</u>
Virginia Department of Agriculture and Consumer Services:			
Food Distribution - National School Lunch Program (Child Nutrition Cluster)	10.555	Unavailable	<u>\$ 17,965</u>

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

Federal Grantor/State Pass - Through Grantor/ Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Agriculture: (Continued)			
Virginia Department of Education:			
National School Lunch Program (Child Nutrition Cluster)	10.555	202323N11994/ 202221N89034/ 202323N89034/ 202424N11994	385,434 \$ 403,399
School Breakfast Program (Child Nutrition Cluster)	10.553	202323N11994/ 202424N11994	\$ 192,927
Total Child Nutrition Cluster			\$ 630,577
Child and Adult Care Food Program	10.558	202323N11994/ 202424N11994	4,058
Virginia Department of Agriculture and Consumer Services: Pandemic (P-EBT) Administrative Costs	10.649	202323S900941	\$ 653
Virginia Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	0010123/0010124/ 004123/0040124/ 0050123/0050124	310,457
Total Department of Agriculture			\$ 945,745
Department of Treasury:			
Pass Through Payments:			
Virginia Department of Accounts:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Unavailable	\$ 73,921
Virginia Department of Social Services:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	9122222	17,620 \$ 91,541
Department of Education:			
Pass Through Payments:			
Virginia Department of Education:			
Title I Grants to Local Educational Agencies	84.010	S010A210046	\$ 195,108
Special Education - Grants to States (Special Education Cluster)	84.027	H027A210107/ H027X210107	262,612
Special Education - Preschool Grants (Special Education Cluster)	84.173	H173X210112/ H173A210112	12,618
Total Special Education Cluster			\$ 275,230
Career and Technical Education - Basic Grants to States	84.048	V048A210046/ V048A220046	\$ 18,243
Twenty-First Century Community Learning Centers	84.287	S287C220047/ S287C210047	231,083
Supporting Effective Instruction State Grants	84.367	S367A210044	34,664
Student Support and Academic Enrichment Program	84.424	S424A190048	339,366
Education Stabilization Fund:			
COVID-19 - ARPA - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	S425U210008	1,032,744
Virginia Commonwealth University:			
Supporting Effective Educator Development Program	84.423	Unavailable	3,227
Total Department of Education			\$ 2,129,665
Total Expenditures of Federal Awards			\$ 4,052,701

See accompanying notes to schedule of expenditures of federal awards.

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

Note A - Basis of Presentation

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

Note B - Summary of Significant Accounting Policies

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

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

(3) The County did not elect to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

Note C - Food Donation

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

Note D - Subrecipients

No awards were passed through to subrecipients.

Note E - Loan Balances

The County has no loans or loan guarantees which are subject to reporting requirements for the current year.

Note F - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund

\$ 1,224,411

Total primary government

\$ 1,224,411

Component Unit School Board:

School Operating Fund

\$ 2,193,438

School Cafeteria Fund

635,288

Total component unit school board

\$ 2,828,726

Total federal expenditures per basic financial statements

\$ 4,053,137

Less: Payment in Lieu of Taxes

436

Total federal expenditures per the Schedule of Expenditures of Federal Awards

\$ 4,052,701

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

Section I-Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u>✓</u> yes	<u> </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u>✓</u> none reported
Noncompliance material to financial statements noted?	<u> </u> yes	<u>✓</u> no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<u> </u> yes	<u>✓</u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u>✓</u> 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)? yes ✓ no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425	COVID-19 Education Stabilization Fund
10.553/10.555/10.559	Child Nutrition Cluster
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

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

Auditee qualified as low-risk auditee? yes ✓ no

County of Surry, Virginia
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2024

Section II-Financial Statement Findings

2024-001 (material weakness)

Criteria:	Identification of material adjustments to the financial statements that were not detected by the entity's internal controls indicates that a material weakness exists.
Condition:	The financial statements did not contain all necessary adjustments to reconcile to the entity's internal documents to comply with generally accepted accounting principles (GAAP) due to bank accounts not being reconciled.
Effect:	There is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected by the entity's internal controls over financial reporting.
Cause:	Internal controls were not in place over financial reporting and bank reconciliations were not completed accurately.
Recommendation:	The County should implement steps and controls to improve its bank reconciliation process by ensuring timely (monthly) and accurate reconciliations completed by and reviewed by personnel with appropriate training and experience.
Management's Response:	The County is taking corrective action for FY25.

Section III-Federal Award Findings and Questioned Costs

None

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

Findings - Financial Statement Audit:

2023-001

Condition:	We noted errors which required adjustments to current financial statements, indicating a material weakness in controls over financial reporting.
Recommendation:	The County should implement steps and controls to improve its financial reporting process.
Current Status:	Finding 2023-001 is repeated in the current year as 2024-001.