

# TOWN OF PULASKI, VIRGINIA



**ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2024**

**TOWN OF PULASKI, VIRGINIA**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

---

TOWN OF PULASKI, VIRGINIA  
 FINANCIAL REPORT  
 FOR THE YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS

**INTRODUCTORY SECTION**

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

**FINANCIAL SECTION**

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

	<u>Exhibit</u>	<u>Page</u>
<b>Basic Financial Statements:</b>		
<b>Government-wide Financial Statements:</b>		
Statement of Net Position .....	1	5
Statement of Activities .....	2	6
<b>Fund Financial Statements:</b>		
Balance Sheet - Governmental Funds .....	3	7
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	4	8
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds .....	5	9
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	6	10
Statement of Net Position - Proprietary Funds .....	7	11
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds .....	8	12
Statement of Cash Flows - Proprietary Funds.....	9	13
Notes to the Financial Statements .....		14-49

**Required Supplementary Information:**

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:		
General Fund .....	10	50
Grants Fund .....	11	51

**Pension Plan:**

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios.....	12	52
Schedule of Employer Contributions .....	13	53
Notes to Required Supplementary Information .....	14	54

**Group Life Insurance Plan:**

Schedule of the Town's Share of Net OPEB Liability .....	15	55
Schedule of Employer Contributions .....	16	56
Notes to Required Supplementary Information .....	17	57

**Health Insurance Plan:**

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios.....	18	58
Notes to Required Supplementary Information .....	19	59

**TOWN OF PULASKI, VIRGINIA  
FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2024**

---

**TABLE OF CONTENTS (CONTINUED)**

---

**FINANCIAL SECTION (CONTINUED)**

---

**Other Supplementary Information:**

	<u>Exhibit</u>	<u>Page</u>
Combining Balance Sheet - Nonmajor Governmental Funds .....	20	60
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds .....	21	61

---

**STATISTICAL INFORMATION**

---

	<u>Table</u>	<u>Page</u>
<b>Government-wide Information:</b>		
Government-wide Expenses by Function .....	1	62
Government-wide Revenues.....	2	63
<b>Fund Information:</b>		
Governmental Expenditures by Function .....	3	64
Governmental Revenues by Source.....	4	65
Property Tax Levies and Collections .....	5	66
Assessed Value of Taxable Property.....	6	67
Property Tax Rates .....	7	68
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita .....	8	69
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures .....	9	70

---

**COMPLIANCE SECTION**

---

	<u>Page</u>
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	71-72
Independent Auditors' Report on Compliance For Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance .....	73-75
Schedule of Expenditures of Federal Awards .....	76-77
Schedule of Findings and Questioned Costs .....	78-80
Summary Schedule of Prior Audit Findings .....	81

---

## INTRODUCTORY SECTION

---

**TOWN OF PULASKI, VIRGINIA**

---

**TOWN COUNCIL**

---

Greg East  
Michael Reis  
Tyler Clontz  
Jeremy Cark  
James Radcliffe

**OTHER OFFICIALS**

---

Shannon Collins.....Mayor  
Brooks R. Dawson .....Vice-Mayor  
Todd Day ..... Town Manager  
Olivia Hale .....Clerk of Council  
Scot Farthing ..... Town Attorney  
Jackie Morris..... Finance Director

---

## FINANCIAL SECTION

---



---

**Independent Auditors' Report**

---

**To the Honorable Members of Town Council  
Town of Pulaski, 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, each major fund, and the aggregate remaining fund information of the Town of Pulaski, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town'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, each major fund, and the aggregate remaining fund information of the Town of Pulaski, Virginia, as of and for the year ended June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

***Change in Reporting Entity***

As described in Note 19 to the financial statements, in 2024, the Town had a change in reporting entity for a newly established Economic Development Authority (EDA). Our opinions are not modified with respect to this matter.

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

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

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

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

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

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

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

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

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

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Town of Pulaski, Virginia's basic financial statements. The accompanying combining fund financial statements 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 fund financial statements 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 and statistical information but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements does 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 November 25, 2024, on our consideration of Town of Pulaski, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Town of Pulaski, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Pulaski, Virginia's internal control over financial reporting and compliance.

*Robinson, Jarmon, Cox, Associates*

Blacksburg, Virginia  
November 25, 2024

## **Basic Financial Statements**

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

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,909,489	\$ 1,169,530	\$ 5,079,019
Receivables (net of allowance for uncollectibles):			
Taxes receivable	2,541,188	-	2,541,188
Other local taxes receivable	132,618	-	132,618
Accounts receivable	116,723	779,232	895,955
Loans receivable	84,683	-	84,683
Interest receivable	-	1,058	1,058
Notes receivable	-	682,730	682,730
Other receivable	-	382,208	382,208
Due from other governmental units	1,935,355	751,896	2,687,251
Inventories	21,860	-	21,860
Prepaid items	126,690	22,627	149,317
Restricted assets:			
Cash and cash equivalents	22,745	87,557	110,302
Net pension asset	1,759,891	355,788	2,115,679
Capital assets not being depreciated	4,112,026	7,384,819	11,496,845
Capital assets, net of accumulated depreciation	5,507,983	12,235,141	17,743,124
Total assets	<u>\$ 20,271,251</u>	<u>\$ 23,852,586</u>	<u>\$ 44,123,837</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related items	\$ 422,534	\$ 91,545	\$ 514,079
OPEB related items	49,481	9,986	59,467
Total deferred outflows of resources	<u>\$ 472,015</u>	<u>\$ 101,531</u>	<u>\$ 573,546</u>
<b>LIABILITIES</b>			
Accounts payable - operations	\$ 670,366	\$ 235,461	\$ 905,827
Accounts payable - capital related	192,090	569,721	761,811
Accrued liabilities	232,353	73,992	306,345
Customer deposits	22,745	87,557	110,302
Accrued interest payable	4,358	36,515	40,873
Long-term liabilities:			
Due within one year	532,874	464,612	997,486
Due in more than one year	919,848	5,602,684	6,522,532
Total liabilities	<u>\$ 2,574,634</u>	<u>\$ 7,070,542</u>	<u>\$ 9,645,176</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue - property taxes	\$ 2,253,469	-	\$ 2,253,469
Pension related items	1,009,701	225,279	1,234,980
OPEB related items	43,421	8,778	52,199
Total deferred inflows of resources	<u>\$ 3,306,591</u>	<u>\$ 234,057</u>	<u>\$ 3,540,648</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 8,897,258	\$ 13,149,662	\$ 22,046,920
Restricted:			
Principal Cemetery Maintenance	514,984	-	514,984
Community and Economic Development	94,574	-	94,574
Housing Rehabilitation	98,963	-	98,963
Net pension asset	1,759,891	355,788	2,115,679
Unrestricted (deficit)	3,496,371	3,144,068	6,640,439
Total net position	<u>\$ 14,862,041</u>	<u>\$ 16,649,518</u>	<u>\$ 31,511,559</u>

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

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

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government				
					Governmental Activities	Business-type Activities	Total		
<b>PRIMARY GOVERNMENT:</b>									
Governmental activities:									
General government administration	\$ 1,635,871	\$ 48,039	\$ 319,206	\$ -	\$ (1,268,626)	\$ -	\$ (1,268,626)	\$ -	(1,268,626)
Public safety	3,508,305	132,485	1,455,179	-	(1,920,641)	-	(1,920,641)	-	(1,920,641)
Public works	3,613,119	849,078	3,009,660	-	245,619	-	245,619	-	245,619
Health and welfare	3,000	-	-	-	(3,000)	-	(3,000)	-	(3,000)
Parks, recreation, and cultural	359,368	32,030	9,336	-	(318,002)	-	(318,002)	-	(318,002)
Community development	1,968,126	-	691,882	1,881,663	605,419	-	605,419	-	605,419
Interest and other fiscal charges	12,891	-	-	-	(12,891)	-	(12,891)	-	(12,891)
Total governmental activities	\$ 11,100,680	\$ 1,061,632	\$ 5,485,263	\$ 1,881,663	\$ (2,672,122)	\$ -	\$ (2,672,122)	\$ -	\$ (2,672,122)
Business-type activities:									
Water	\$ 2,383,087	\$ 2,366,615	\$ 240,658	\$ 499,056	\$ -	\$ 723,242	\$ 723,242	\$ -	\$ 723,242
Sewer	3,757,025	4,079,549	28,803	2,350,147	-	2,701,474	2,701,474	-	2,701,474
EDA	-	-	435,210	-	-	435,210	435,210	-	435,210
Total business-type activities	\$ 6,140,112	\$ 6,446,164	\$ 704,671	\$ 2,849,203	\$ -	\$ 3,859,926	\$ 3,859,926	\$ -	\$ 3,859,926
Total primary government	\$ 17,240,792	\$ 7,507,796	\$ 6,189,934	\$ 4,730,866	\$ (2,672,122)	\$ 3,859,926	\$ 3,859,926	\$ 1,187,804	\$ 1,187,804
General revenues:									
General property taxes					\$ 3,220,731	\$ -	\$ 3,220,731		
Other local taxes:									
Bank stock taxes					212,280	-	212,280		
Business license taxes					585,922	-	585,922		
Consumers' utility taxes					219,384	-	219,384		
Consumption taxes					44,302	-	44,302		
Local sales and use taxes					855,169	-	855,169		
Lodging taxes					50,790	-	50,790		
Motor vehicle licenses					140,999	-	140,999		
Restaurant food taxes					1,078,712	-	1,078,712		
Tobacco taxes					228,000	-	228,000		
Utility franchise taxes					2	-	2		
Unrestricted revenues from the use of money					61,483	30,532	92,015		
Miscellaneous					281,766	577,624	859,390		
Grants and contributions not restricted to specific programs					451,389	-	451,389		
Transfers					(708,115)	708,115	-		
Total general revenues and transfers					\$ 6,722,814	\$ 1,316,271	\$ 8,039,085		
Change in net position					\$ 4,050,692	\$ 5,176,197	\$ 9,226,889		
Net position - beginning					10,811,349	11,473,321	22,284,670		
Net position - ending					\$ 14,862,041	\$ 16,649,518	\$ 31,511,559		

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

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

	General Fund	UDAG Fund	Grants Fund	Total Nonmajor Funds	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,251,933	\$ 43,609	\$ -	\$ 613,947	\$ 3,909,489
Receivables (net of allowance for uncollectibles):					
Taxes receivable	2,541,188	-	-	-	2,541,188
Other local taxes receivable	132,618	-	-	-	132,618
Accounts receivable	116,723	-	-	-	116,723
Loans	33,718	50,965	-	-	84,683
Due from other funds	846,782	-	-	-	846,782
Due from other governmental units	871,191	-	1,064,164	-	1,935,355
Inventories	21,860	-	-	-	21,860
Prepaid items	120,435	-	6,255	-	126,690
Restricted assets:					
Cash and cash equivalents	22,745	-	-	-	22,745
Total assets	<u>\$ 7,959,193</u>	<u>\$ 94,574</u>	<u>\$ 1,070,419</u>	<u>\$ 613,947</u>	<u>\$ 9,738,133</u>
<b>LIABILITIES</b>					
Accounts payable - operations	\$ 533,957	\$ -	\$ 136,409	\$ -	\$ 670,366
Accounts payable - capital related	-	-	192,090	-	192,090
Customer deposits	22,745	-	-	-	22,745
Accrued liabilities	232,353	-	-	-	232,353
Due to other funds	-	-	846,782	-	846,782
Total liabilities	<u>\$ 789,055</u>	<u>\$ -</u>	<u>\$ 1,175,281</u>	<u>\$ -</u>	<u>\$ 1,964,336</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	<u>\$ 2,564,996</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,564,996</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid Items	\$ 120,435	\$ -	\$ 6,255	\$ -	\$ 126,690
Inventory	21,860	-	-	-	21,860
Principal Cemetery Maintenance	-	-	-	514,984	514,984
Restricted:					
Community and Economic Development	-	94,574	-	-	94,574
Housing Rehabilitation	-	-	-	98,963	98,963
Unassigned (deficit)	4,462,847	-	(111,117)	-	4,351,730
Total fund balances (deficits)	<u>\$ 4,605,142</u>	<u>\$ 94,574</u>	<u>\$ (104,862)</u>	<u>\$ 613,947</u>	<u>\$ 5,208,801</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 7,959,193</u>	<u>\$ 94,574</u>	<u>\$ 1,070,419</u>	<u>\$ 613,947</u>	<u>\$ 9,738,133</u>

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

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

---

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	5,208,801
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets not being depreciated	\$ 4,112,026	
Capital assets, net of accumulated depreciation	5,507,983	9,620,009
The net pension asset is not an available resource and, therefore, is not reported in the funds.		
		1,759,891
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue.		
Unavailable revenue - property taxes		311,527
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items	\$ 422,534	
OPEB related items	49,481	472,015
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
General obligation bonds	\$ (530,661)	
Accrued interest payable	(4,358)	
Net OPEB liabilities	(314,336)	
Compensated absences	(607,725)	(1,457,080)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items	\$ (1,009,701)	
OPEB related items	(43,421)	(1,053,122)
Net position of governmental activities		\$ 14,862,041

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

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

	General Fund	UDAG Fund	Grants Fund	Total Nonmajor Funds	Total
<b>REVENUES</b>					
General property taxes	\$ 3,180,405	\$ -	\$ -	\$ -	\$ 3,180,405
Other local taxes	3,415,560	-	-	-	3,415,560
Permits, privilege fees, and regulatory licenses	64,114	-	-	-	64,114
Fines and forfeitures	59,911	-	-	-	59,911
Revenue from the use of money and property	52,667	16,212	-	4,204	73,083
Charges for services	926,007	-	-	-	926,007
Miscellaneous	55,548	-	219,554	6,664	281,766
Recovered costs	55,225	-	-	-	55,225
Intergovernmental	5,058,691	-	2,759,624	-	7,818,315
Total revenues	<u>\$ 12,868,128</u>	<u>\$ 16,212</u>	<u>\$ 2,979,178</u>	<u>\$ 10,868</u>	<u>\$ 15,874,386</u>
<b>EXPENDITURES</b>					
Current:					
General government administration	\$ 1,753,236	\$ -	\$ -	\$ -	\$ 1,753,236
Public safety	4,317,017	-	-	-	4,317,017
Public works	3,604,273	-	-	-	3,604,273
Health and welfare	3,000	-	-	-	3,000
Parks, recreation, and cultural	187,564	-	-	8,271	195,835
Community development	970,027	36,916	3,109,863	39,730	4,156,536
Capital projects	1,712,451	-	-	-	1,712,451
Debt service:					
Principal retirement	83,315	-	-	-	83,315
Interest and other fiscal charges	14,190	-	-	-	14,190
Total expenditures	<u>\$ 12,645,073</u>	<u>\$ 36,916</u>	<u>\$ 3,109,863</u>	<u>\$ 48,001</u>	<u>\$ 15,839,853</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 223,055</u>	<u>\$ (20,704)</u>	<u>\$ (130,685)</u>	<u>\$ (37,133)</u>	<u>\$ 34,533</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$ -	\$ -	\$ -	\$ 1,500	\$ 1,500
Transfers out	(695,615)	(12,500)	(1,500)	-	(709,615)
Total other financing sources (uses)	<u>\$ (695,615)</u>	<u>\$ (12,500)</u>	<u>\$ (1,500)</u>	<u>\$ 1,500</u>	<u>\$ (708,115)</u>
Change in fund balances	\$ (472,560)	\$ (33,204)	\$ (132,185)	\$ (35,633)	\$ (673,582)
Fund balances - beginning	5,077,702	127,778	27,323	649,580	5,882,383
Fund balances (deficits) - ending	<u>\$ 4,605,142</u>	<u>\$ 94,574</u>	<u>\$ (104,862)</u>	<u>\$ 613,947</u>	<u>\$ 5,208,801</u>

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

Town of Pulaski, Virginia  
 Reconciliation of the Statement of Revenues,  
 Expenditures, and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the 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 \$ (673,582)

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. These are the details of items supporting this adjustment:

Capital outlays	\$ 4,083,288	
Depreciation expense	<u>(575,951)</u>	3,507,337

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

Increase (decrease) in unavailable property taxes	40,326
---	--------

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

Principal repayments:	
General obligation bonds	83,315

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

Changes in pension related items	\$ 1,080,030	
Changes in OPEB related items	43,408	
Decrease (increase) in accrued interest payable	1,299	
Decrease (increase) in compensated absences	<u>(31,441)</u>	1,093,296

Change in net position of governmental activities	<u>\$ 4,050,692</u>
---	---------------------

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

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

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>EDA Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 297,431	\$ 856,050	\$ 16,049	\$ 1,169,530
Accounts receivable, net of allowances for uncollectibles	308,191	471,041	-	779,232
Notes receivable	-	-	682,730	682,730
Interest receivable	-	-	1,058	1,058
Other receivable	-	382,208	-	382,208
Due from other governments	118,892	633,004	-	751,896
Prepaid items	21,055	1,572	-	22,627
Total current assets	<u>\$ 745,569</u>	<u>\$ 2,343,875</u>	<u>\$ 699,837</u>	<u>\$ 3,789,281</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	\$ 87,557	\$ -	\$ -	\$ 87,557
Net Pension Asset	298,764	57,024	-	355,788
Capital assets:				
Capital assets not being depreciated	4,061,004	3,323,815	-	7,384,819
Capital assets, net of accumulated depreciation	8,515,040	3,720,101	-	12,235,141
Total capital assets	<u>\$ 12,576,044</u>	<u>\$ 7,043,916</u>	<u>\$ -</u>	<u>\$ 19,619,960</u>
Total noncurrent assets	<u>\$ 12,962,365</u>	<u>\$ 7,100,940</u>	<u>\$ -</u>	<u>\$ 20,063,305</u>
Total assets	<u>\$ 13,707,934</u>	<u>\$ 9,444,815</u>	<u>\$ 699,837</u>	<u>\$ 23,852,586</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related items	\$ 72,059	\$ 19,486	\$ -	\$ 91,545
OPEB related items	8,339	1,647	-	9,986
Total deferred outflows of resources	<u>\$ 80,398</u>	<u>\$ 21,133</u>	<u>\$ -</u>	<u>\$ 101,531</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable - operations	\$ 31,852	\$ 203,609	\$ -	\$ 235,461
Accounts payable - capital related	487,057	82,664	-	569,721
Accrued liabilities	61,101	12,891	-	73,992
Customer deposits	87,557	-	-	87,557
Accrued interest payable	33,102	3,413	-	36,515
Compensated absences - current portion	72,492	4,953	-	77,445
Bonds payable - current portion	237,171	149,996	-	387,167
Total current liabilities	<u>\$ 1,010,332</u>	<u>\$ 457,526</u>	<u>\$ -</u>	<u>\$ 1,467,858</u>
Noncurrent liabilities:				
Compensated absences - net of current portion	\$ 24,165	\$ 1,652	\$ -	\$ 25,817
Bonds payable - net of current portion	4,265,683	1,247,727	-	5,513,410
Net OPEB liabilities	53,035	10,422	-	63,457
Total noncurrent liabilities	<u>\$ 4,342,883</u>	<u>\$ 1,259,801</u>	<u>\$ -</u>	<u>\$ 5,602,684</u>
Total liabilities	<u>\$ 5,353,215</u>	<u>\$ 1,717,327</u>	<u>\$ -</u>	<u>\$ 7,070,542</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related items	\$ 185,284	\$ 39,995	\$ -	\$ 225,279
OPEB related items	7,371	1,407	-	8,778
Total deferred inflows of resources	<u>\$ 192,655</u>	<u>\$ 41,402</u>	<u>\$ -</u>	<u>\$ 234,057</u>
<b>NET POSITION</b>				
Net investment in capital assets	\$ 7,586,133	\$ 5,563,529	\$ -	\$ 13,149,662
Restricted - net pension asset	298,764	57,024	-	355,788
Unrestricted	357,565	2,086,666	699,837	3,144,068
Total net position	<u>\$ 8,242,462</u>	<u>\$ 7,707,219</u>	<u>\$ 699,837</u>	<u>\$ 16,649,518</u>

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

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

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>EDA Fund</u>	<u>Total</u>
<b>OPERATING REVENUES</b>				
Charges for services:				
Water and sewer revenues	\$ 2,366,615	\$ 4,079,549	\$ -	\$ 6,446,164
Total operating revenues	<u>\$ 2,366,615</u>	<u>\$ 4,079,549</u>	<u>\$ -</u>	<u>\$ 6,446,164</u>
<b>OPERATING EXPENSES</b>				
Personnel services	\$ 810,607	\$ 182,825	\$ -	\$ 993,432
Fringe benefits	119,964	23,136	-	143,100
Contractual services	164,580	2,772,599	-	2,937,179
Utilities	311,774	683	-	312,457
Materials and supplies	305,504	317,338	-	622,842
Repairs and maintenance	161,888	134,994	-	296,882
Depreciation	397,055	304,608	-	701,663
Miscellaneous	17,337	10,116	-	27,453
Total operating expenses	<u>\$ 2,288,709</u>	<u>\$ 3,746,299</u>	<u>\$ -</u>	<u>\$ 6,035,008</u>
Operating income (loss)	<u>\$ 77,906</u>	<u>\$ 333,250</u>	<u>\$ -</u>	<u>\$ 411,156</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest revenue	\$ 12,904	\$ 15,501	\$ 2,127	\$ 30,532
Interest expense	(94,378)	(10,726)	-	(105,104)
Intergovernmental grants	240,658	28,803	435,210	704,671
Penalties	34,200	51,282	-	85,482
Miscellaneous	107	492,035	-	492,142
Total nonoperating revenues (expenses)	<u>\$ 193,491</u>	<u>\$ 576,895</u>	<u>\$ 437,337</u>	<u>\$ 1,207,723</u>
Income (loss) before transfers and capital contributions	<u>\$ 271,397</u>	<u>\$ 910,145</u>	<u>\$ 437,337</u>	<u>\$ 1,618,879</u>
Capital contributions - intergovernmental grants	\$ 499,056	2,350,147	\$ -	\$ 2,849,203
Transfers in	366,634	78,981	262,500	708,115
Change in net position	<u>\$ 1,137,087</u>	<u>\$ 3,339,273</u>	<u>\$ 699,837</u>	<u>\$ 5,176,197</u>
Total net position - beginning	7,105,375	4,367,946	-	11,473,321
Total net position - ending	<u>\$ 8,242,462</u>	<u>\$ 7,707,219</u>	<u>\$ 699,837</u>	<u>\$ 16,649,518</u>

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

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

	Water Fund	Sewer Fund	EDA Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 2,384,107	\$ 4,311,796	\$ (682,730)	\$ 6,013,173
Payments to suppliers	(967,274)	(3,260,186)	-	(4,227,460)
Payments to employees	(1,045,287)	(223,672)	-	(1,268,959)
Net cash provided by (used for) operating activities	<u>\$ 371,546</u>	<u>\$ 827,938</u>	<u>\$ (682,730)</u>	<u>\$ 516,754</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers (to) from other funds	\$ 366,634	\$ 78,981	\$ 262,500	\$ 708,115
Contributions from other governments	240,658	28,803	435,210	704,671
Net cash provided by (used for) noncapital financing activities	<u>\$ 607,292</u>	<u>\$ 107,784</u>	<u>\$ 697,710</u>	<u>\$ 1,412,786</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital asset additions	\$ (3,197,052)	\$ (3,022,880)	\$ -	\$ (6,219,932)
Proceeds from issuance of debt	1,719,138	-	-	1,719,138
Principal payments on bonds	(136,609)	(155,163)	-	(291,772)
Contributions from other governments	380,164	1,816,996	-	2,197,160
Interest expense	(92,185)	(11,320)	-	(103,505)
Net cash provided by (used for) capital and related financing activities	<u>\$ (1,326,544)</u>	<u>\$ (1,372,367)</u>	<u>\$ -</u>	<u>\$ (2,698,911)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends received	\$ 12,904	\$ 15,501	\$ 1,069	\$ 29,474
Net cash provided by (used for) investing activities	<u>\$ 12,904</u>	<u>\$ 15,501</u>	<u>\$ 1,069</u>	<u>\$ 29,474</u>
Net increase (decrease) in cash and cash equivalents	\$ (334,802)	\$ (421,144)	\$ 16,049	\$ (739,897)
Cash and cash equivalents - beginning (including restricted cash of \$93,984)	719,790	1,277,194	-	1,996,984
Cash and cash equivalents - ending (including restricted cash of \$87,557)	<u>\$ 384,988</u>	<u>\$ 856,050</u>	<u>\$ 16,049</u>	<u>\$ 1,257,087</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>				
Operating income (loss)	\$ 77,906	\$ 333,250	\$ -	\$ 411,156
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	\$ 397,055	\$ 304,608	\$ -	\$ 701,663
Miscellaneous revenue	34,307	543,317	-	577,624
(Increase) decrease in accounts receivable	(10,388)	71,138	-	60,750
(Increase) decrease in notes receivable	-	-	(682,730)	(682,730)
(Increase) decrease in other receivable	-	(382,208)	-	(382,208)
(Increase) decrease in prepaid expenses	(1,929)	-	-	(1,929)
(Increase) decrease in deferred outflows of resources	68,053	18,444	-	86,497
(Increase) decrease in net pension asset	(162,827)	(28,883)	-	(191,710)
Increase (decrease) in customer deposits	(6,427)	-	-	(6,427)
Increase (decrease) in accounts payable - operations	(4,262)	(24,456)	-	(28,718)
Increase (decrease) in accrued liabilities	11,695	5,853	-	17,548
Increase (decrease) in compensated absences	23,511	1,655	-	25,166
Increase (decrease) in net OPEB liabilities	1,518	134	-	1,652
Increase (decrease) in deferred inflows of resources	(56,666)	(14,914)	-	(71,580)
Total adjustments	<u>\$ 293,640</u>	<u>\$ 494,688</u>	<u>\$ (682,730)</u>	<u>\$ 105,598</u>
Net cash provided by (used for) operating activities	<u>\$ 371,546</u>	<u>\$ 827,938</u>	<u>\$ (682,730)</u>	<u>\$ 516,754</u>
<b>Noncash investing, capital, or financing activities:</b>				
Construction payables	\$ 487,057	\$ 82,664	\$ -	\$ 569,721

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

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2024

---

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

The financial statements of the Town conform to generally accepted accounting principles (GAAP) applicable to governmental units promulgated by the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the Town are discussed below.

A. Financial reporting entity:

Town of Pulaski, Virginia (Town) is a municipal corporation governed by an elected six-member Town Council. The accompanying financial statements present the Town and its component units. Related organizations, if any, are described below.

Blended Component Units:

Town of Pulaski Redevelopment and Housing Authority - This Authority is a legally separate organization that is financially accountable to the Town. The governing body of the Authority is substantively the same as that of the Town.

Town of Pulaski Economic Development Authority (EDA) - This Authority is a legally separate organization that encourages and provides financing for industrial development in the Town. The EDA board members are appointed by Town Council. The EDA is fiscally dependent upon the Town because the Town provides significant funding to the EDA. In addition, the EDA does not have separate taxing powers. The EDA is reported as a proprietary fund and does not issue separate financial statements.

Discretely Presented Component Units - None

Related Organizations - None

Jointly Governed Organizations - None

B. Government-wide and fund financial statements:

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

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

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

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

---

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

B. Government-wide and fund financial statements: (continued)

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

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.

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt as well as expenditures related to compensated absences are recorded only when payment is due.

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

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

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

---

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

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

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for and reports all financial resources of the general government, except those required to be accounted for and reported in other funds.

The *Special Revenue Funds* account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The UDAG Fund and the Grants Fund are the only major special revenue funds of the Town.

The Town reports the following major proprietary funds:

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

*Enterprise Funds* - account for the financing of services to the general public where all or most of the operating expenses involved are recorded in the form of charges to users of such services. Enterprise Funds consist of the Water Fund and the Sewer Fund.

The Town reports the following nonmajor governmental funds:

The *Special Revenue Funds* account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The nonmajor special revenue funds consist of the Cemetery Care Fund, and the CDBG Housing Rehabilitation Fund.

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

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

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

---

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

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

1. Cash and Cash Equivalents

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

2. Investments

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

3. Prepaid Items

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

4. Receivables and Payables

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

5. Inventory

Inventory consists of automobile supplies for public works. Inventory is measured using the first in, first out method.

6. Property Taxes

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on the property as of January 1. Real estate taxes are payable June 5 and December 5. Personal property taxes are due and collectible annually on October 15<sup>th</sup> and decals for vehicles are due on April 1. The Town bills and collects its own property taxes.

7. Allowance for Uncollectible Accounts

The Town calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$314,783 for property taxes and \$220,641 for water, sewer, and garbage receivables at June 30, 2024.

8. 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.

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

---

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

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

9. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual or aggregate cost of more than \$10,000 or \$20,000, respectively, (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	20-40
Improvements other than buildings	20-40
Infrastructure	20-40
Machinery and equipment	4-30

9. Compensated Absences

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

10. Long-term Obligations

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

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

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

---

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

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

12. Fund Balance

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

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

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

Town Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by Town Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

13. Net Position

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

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

---

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

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

13. Net Position (continued)

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

14. 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 Town has one item that qualifies for reporting in this category. It is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two types of 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, 2<sup>nd</sup> half installments levied during the fiscal year but due after June 30<sup>th</sup>, and amounts prepaid on the 2<sup>nd</sup> half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2<sup>nd</sup> half installments levied during the fiscal year but due after June 30<sup>th</sup> and amounts prepaid on the 2<sup>nd</sup> half installments are reported as deferred inflows of resources. In addition, certain items related to pension and OPEB are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

15. Pensions

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

16. Other Postemployment Benefits (OPEB)

For purposes of measuring the net VRS GLI OPEB liability, 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 OPEB Plan and the additions to/deductions from the VRS OPEB Plan 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.

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

---

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

A. Budgetary information

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

1. Prior to May 1, the Town Manager submits to the Town Council a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them. The General fund and the Grants Fund have a legally adopted budget. The UDAG Fund does not have a legally adopted budget.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the function level. Only the Town Council can revise the appropriation for each department or category. The Town Manager is authorized to transfer budgeted amounts within general government departments.
5. Formal budgetary integration is employed by the Water and Sewer Funds as well as the General Fund.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all Town units. Several supplemental appropriations were necessary during this fiscal year.
8. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to commit that portion of the applicable appropriations, is not part of the Town's accounting system.
9. For fiscal year ended June 30, 2024, there were no expenditures that exceeded appropriations.

B. Deficit fund balance

1. At June 30, 2024, the Grants Fund reported negative fund balance.

**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.

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
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).

Custodial Credit Risk (Investments)

The Town’s investments at June 30, 2024 were held in the Town’s name by the Town’s custodial banks.

At year-end, the investment balances were as follows:

<u>Rated Debt Investments' Values</u>	
<u>Rated Debt Investments</u>	<u>Ratings</u>
	<u>AAAm</u>
VML/VACO - Liquidity Pool	<u>\$ 3,235,443</u>

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Town has measured fair value of the above VML/VACO Pool investments at the net asset value (NAV).

Redemption Restrictions

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

**Note 4-Interfund Transfers and Balances:**

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

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$ 695,615
CDBG Fund	1,500	-
Grants Fund	-	1,500
UDAG Fund	-	12,500
Water Fund	366,634	-
Sewer Fund	78,981	-
EDA Fund	262,500	-
Total	\$ 709,615	\$ 709,615

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

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

**Note 4-Interfund Transfers and Balances: (continued)**

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

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 846,782	\$ -
Grants Fund	-	846,782
Total	<u>\$ 846,782</u>	<u>\$ 846,782</u>

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

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

	Primary Government	
	Governmental Activities	Business-type Activities
Local Government:		
Pulaski County	\$ 148,215	\$ -
Commonwealth of Virginia:		
Communications Tax	46,554	-
Categorical Aid	676,066	-
Noncategorical Aid	356	-
Federal Government:		
Categorical Aid	1,064,164	751,896
Total	<u>\$ 1,935,355</u>	<u>\$ 751,896</u>

**Note 6-Long-term Obligations:**

Governmental Activities Long-term Obligations:

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

	Beginning Balance	Increases/ Issuances	Decreases/ Retirements	Ending Balance
Direct Borrowings and Placements:				
General obligation bonds	\$ 613,976	\$ -	\$ (83,315)	\$ 530,661
Net OPEB liabilities	332,673	178,463	(196,800)	314,336
Compensated absences	576,284	463,654	(432,213)	607,725
Total	<u>\$ 1,522,933</u>	<u>\$ 642,117</u>	<u>\$ (712,328)</u>	<u>\$ 1,452,722</u>

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

**Note 6-Long-term Obligations: (continued)**

Governmental Activities Long-term Obligations: (continued)

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

Year Ending June 30,	Direct Borrowings and Placements	
	Principal	Interest
2025	\$ 77,080	\$ 12,244
2026	78,094	10,344
2027	80,138	8,403
2028	78,457	6,465
2029	75,589	4,599
2030-2032	141,303	4,558
Totals	<u>\$ 530,661</u>	<u>\$ 46,613</u>

Details of long-term obligations are as follows:

	Interest Rates	Final Maturity Date	Amount of Original Issue	Balance Governmental Activities	Amount Due Within One Year
Direct Borrowings and Placements:					
General Obligation Bonds:					
GO bond - 2012	4.34%	2032	\$ 3,000,000	\$ 268,661	\$ 35,080
GO bond - 2019 (a)	2.11%	2029	420,000	262,000	42,000
Subtotal General Obligation Bonds				<u>\$ 530,661</u>	<u>\$ 77,080</u>
Other Obligations:					
Net OPEB liabilities	n/a	n/a	n/a	\$ 314,336	\$ -
Compensated absences	n/a	n/a	n/a	607,725	455,794
Total Other Obligations				<u>\$ 922,061</u>	<u>\$ 455,794</u>
Totals				<u>\$ 1,452,722</u>	<u>\$ 532,874</u>

(a) In the event of default, the Lender may declare the entire unpaid principal and interest on the issuance as due and payable.

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

**Note 6-Long-term Obligations: (continued)**

Business-type Activities Long-term Obligations:

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

	<u>Beginning Balance</u>	<u>Increases/ Issuances</u>	<u>Decreases/ Retirements</u>	<u>Ending Balance</u>
Direct Borrowings and Placements:				
General obligation bonds	\$ 4,473,211	\$ 1,719,138	\$ (291,772)	\$ 5,900,577
Net OPEB liabilities	61,805	40,804	(39,152)	63,457
Compensated absences	78,096	83,738	(58,572)	103,262
Total	<u>\$ 4,613,112</u>	<u>\$ 1,843,680</u>	<u>\$ (389,496)</u>	<u>\$ 6,067,296</u>

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

<u>Year Ending June 30,</u>	<u>Direct Borrowings and Placements</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 280,356	\$ 75,300
2026	285,229	70,422
2027	290,249	65,406
2028	288,060	60,350
2029	283,638	55,388
2030-2034	1,297,069	203,512
2035-2039	505,836	116,018
2040-2044	546,969	51,671
2045	106,967	1,942
Totals	<u>\$ 3,884,373</u>	<u>\$ 700,009</u>
Add amounts in the draw down phase	<u>\$ 2,016,204</u>	<u>\$ -</u>
Totals	<u>\$ 5,900,577</u>	<u>\$ 700,009</u>

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

**Note 6-Long-term Obligations: (continued)**

**Business-type Activities Long-term Obligations: (continued)**

Details of long-term obligations are as follows:

	Interest Rates	Final Maturity Date	Amount of Original Issue	Balance Business-type Activities	Amount Due Within One Year
Direct Borrowings and Placements:					
General obligation bonds:					
GO bond 2012 (a)	2.85%	2032	\$ 2,567,830	\$ 525,956	\$ 68,677
GO bond 2014B	2.68%	2034	304,293	171,838	15,211
GO bond 2012 (b)	0.00%	2033	2,156,159	1,019,285	107,808
GO bond 2014 (b)	2.50%	2045	2,487,968	1,940,451	71,663
GO bond 2020 (b)	3.93%	2035	290,000	226,843	16,997
GO Bond BIL 08L-22 (b)	1.00%	2045	465,000	7,099	-
Total General obligation bonds				<u>\$ 3,891,472</u>	<u>\$ 280,356</u>
Revenue bonds:					
WSL-036-19 (b)	265.00%	2044	\$ 2,686,309	\$ 2,009,105	\$ 106,811
Subtotal Direct Borrowings and Placements				<u>5,900,577</u>	<u>387,167</u>
Other obligations:					
Net OPEB liabilities	n/a	n/a	n/a	\$ 63,457	\$ -
Compensated absences	n/a	n/a	n/a	103,262	77,445
Total other obligations				<u>\$ 166,719</u>	<u>\$ 77,445</u>
Totals				<u>\$ 6,067,296</u>	<u>\$ 464,612</u>

(a) 60.7% and 39.3% are due from the water and sewer funds, respectively.

(b) In the event of default, the lender may declare the entire unpaid principal and interest on the issuance as due and payable.

The Town is required to maintain 25% of operating and maintenance expenses for the water and sewer fund in aggregate in unrestricted cash. As of June 30, 2024, the Town was not compliant with this requirement. However, the sewer fund had significant grant and other receivables related to a one-time project that, if received prior to June 30, would have made the Town compliant.

**Note 7-Line of Credit**

On February 1, 2023, the Town issued a line of credit with a limit of \$500,000 to construct low-to-moderate income homes for sale within the town limits. Interest-only payments will be due monthly for 11 months, with all outstanding principal and accrued interest due in full at the end of the 12<sup>th</sup> month unless the Bank renews the line of credit, which is in its sole discretion. Interest on the LOC is the variable prime rate as published daily by the Wall Street Journal, adjustable daily as the prime rate changes. Line of credit activity for the year is presented below:

	Beginning Balance	Increases/ Issuances	Decreases/ Retirements	Ending Balance
Line of credit - First Bank & Trust	\$ 52,633	\$ 55,614	\$ (108,247)	\$ -

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

**Note 8-Unearned and Deferred/Unavailable Revenue:**

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

	Government-wide	
	Statements	Balance Sheet
	Governmental Activities	Governmental Funds
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 311,527
Tax assessments due after June 30	2,166,242	2,166,242
Prepaid property taxes due after June 30 but paid in advance by taxpayers	87,227	87,227
<b>Total</b>	<b>\$ 2,253,469</b>	<b>\$ 2,564,996</b>

**Note 9-Pension Plan:**

**Plan Description**

All full-time, salaried permanent employees of the Town 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.

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

---

**Note 9-Pension Plan: (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.

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

**Note 9-Pension 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 pension plan:

	<b>Primary Government</b>
Inactive members or their beneficiaries currently receiving benefits	103
Inactive members:	
Vested inactive members	23
Non-vested inactive members	48
Inactive members active elsewhere in VRS	79
Total inactive members	150
Active members	97
Total covered employees	350

**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 Town's contractually required employer contribution rate for the year ended June 30, 2024 was 10.84% 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 Town were \$507,639 and \$473,516 for the years ended June 30, 2024 and June 30, 2023, respectively.

**Net Pension Liability (Asset)**

The net pension liability (asset) (NPLA) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. The Town's net pension liability (asset) was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023.

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

---

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

***Actuarial Assumptions - General Employees***

The total pension liability for General Employees in the Town'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% - 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 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:

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

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

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

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

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

**Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits**

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

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2024

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

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

Mortality rates: (continued)

Beneficiaries and Survivors:

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

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 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

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

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

**Long-Term Expected Rate of Return**

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

Asset Class (Strategy)	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 %. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the 8.25 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 45<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

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

**Discount Rate**

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the Town 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. 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 (Asset)**

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 26,611,808	\$ 27,717,492	\$ (1,105,684)
Changes for the year:			
Service cost	\$ 620,786	\$ -	\$ 620,786
Interest	1,782,036	-	1,782,036
Differences between expected and actual experience	(978,971)	-	(978,971)
Contributions - employer	-	473,481	(473,481)
Contributions - employee	-	218,909	(218,909)
Net investment income	-	1,758,698	(1,758,698)
Benefit payments, including refunds	(1,664,117)	(1,664,117)	-
Administrative expenses	-	(17,947)	17,947
Other changes	-	705	(705)
Net changes	\$ (240,266)	\$ 769,729	\$ (1,009,995)
Balances at June 30, 2023	\$ 26,371,542	\$ 28,487,221	\$ (2,115,679)

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Town of Pulaski			
Net Pension Liability (Asset)	\$ 1,459,176	\$ (2,115,679)	\$ (5,016,368)

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

For the year ended June 30, 2024, the Town recognized pension expense of \$(745,275). At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 774,718
Net difference between projected and actual earnings on pension plan investments	-	453,822
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,440	6,440
Employer contributions subsequent to the measurement date	507,639	-
Total	\$ 514,079	\$ 1,234,980

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

---

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

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

\$507,639 reported as deferred outflows of resources related to pensions resulting from the Town'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	\$ (894,100)
2026	(750,328)
2027	400,118
2028	15,770

***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.

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

***Plan Description***

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

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

The specific information for GLI 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.

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

---

**Note 10-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% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 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 entity were \$26,733 and \$24,741 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 Town did not recognize an amount for its proportionate share of the contribution.

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

At June 30, 2024, the entity reported a liability of \$233,266 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the participating employer's proportion was 0.01945% as compared to 0.01900% at June 30, 2022.

For the year ended June 30, 2024, the participating employer recognized GLI OPEB expense of \$3,695. 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.

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

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

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 23,298	\$ 7,081
Net difference between projected and actual earnings on GLI OPEB plan investments	-	9,374
Change in assumptions	4,986	16,162
Changes in proportionate share	4,450	19,582
Employer contributions subsequent to the measurement date	<u>26,733</u>	-
Total	<u>\$ 59,467</u>	<u>\$ 52,199</u>

\$26,733 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer'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:

<u>Year Ended June 30</u>	
2025	\$ (8,165)
2026	(13,771)
2027	448
2028	(1,131)
2029	3,154

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

---

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

**Actuarial Assumptions**

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

Inflation	2.50%
Salary increases, including inflation:	
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; 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

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

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

**Actuarial Assumptions: (continued)**

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

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

**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

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

**Note 10-Group Life Insurance (GLI) 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. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

**NET GLI OPEB Liability**

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

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

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

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

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

**Long-Term Expected Rate of Return**

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	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 45<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

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

**Discount Rate**

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Town of Pulaski's proportionate share of the GLI Plan Net OPEB Liability	\$ 345,774	\$ 233,266	\$ 142,304

**GLI Plan Fiduciary Net Position**

Detailed information about 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 11-Other Postemployment Benefits-Health Insurance:**

**Plan Description**

The Town of Pulaski administers a single-employer defined benefit healthcare plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the Town of Pulaski's pension plans. The plan does not issue a publicly available financial report.

**Benefits Provided**

A retiree, eligible for post-retirement medical coverage, is defined as a full-time employee who retires directly from the Town and is eligible to receive an early or regular retirement benefit from VRS. Employees applying for early or regular retirement are eligible to continue participation in the Retiree Health Plans sponsored by the Town. Employees at the Town are allowed to stay on the plan until Medicare eligibility at age 65. The employee pays 100% of the required premium.

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

---

**Note 11-Other Postemployment Benefits-Health Insurance: (continued)**

**Plan Membership**

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

Active	72
Retired	10
Terminated	12
Total	<u>94</u>

**Contributions**

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the Town of Pulaski Board. The amount paid by the Town for OPEB as the benefits came due during the year ended June 30, 2024 was \$27,642.

**Total OPEB Liability**

The Town of Pulaski's total OPEB liability was measured as of June 30, 2023. The total OPEB liability was determined by the alternative measurement method as of June 30, 2023.

**Actuarial Assumptions**

The total OPEB liability was prepared using the alternative measurement method and used the following actuarial assumptions (as provided by the GASBHelp tool utilized) applied to all periods included in the measurement, unless otherwise specified:

Inflation	1.70%
Salary Increases	1.70%
Discount Rate	3.93%

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

**Discount Rate**

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is based on the 20-year tax exempt municipal bond yield.

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

**Note 11-Other Postemployment Benefits-Health Insurance: (continued)**

**Changes in Total OPEB Liability**

		<u>Total OPEB Liability</u>
Balances at June 30, 2023	\$	165,218
Changes for the year:		
Service cost		93,958
Interest		9,476
Effect of Economic/Demographic Gains or Losses		(96,190)
Effect of Assumption Changes or Inputs		(293)
Contributions - employer		(27,642)
Net changes		<u>(20,691)</u>
Balances at June 30, 2024	\$	<u>144,527</u>

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

The following amounts present the total OPEB liability of the Town of Pulaski, 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:

<u>Rate</u>		
<u>1% Decrease (2.93%)</u>	<u>Current Discount (3.93%)</u>	<u>1% Increase (4.93%)</u>
\$ 148,815	\$ 144,527	\$ 140,442

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

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

<u>Rate</u>		
<u>1% Decrease (3.70%)</u>	<u>Healthcare Cost Trend (4.70%)</u>	<u>1% Increase (5.70%)</u>
\$ 133,198	\$ 144,527	\$ 156,739

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

**Note 11-Other Postemployment Benefits-Health Insurance: (continued)**

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

For the year ended June 30, 2024, the Town of Pulaski recognized OPEB expense in the amount of \$6,951. At June 30, 2024, the Town of Pulaski reported no deferred outflows of resources or deferred inflows of resources related to OPEB.

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.

**Note 12-Aggregate OPEB Information:**

	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense
VRS Group Life Insurance Plan	\$ 59,467	\$ 52,199	\$ 233,266	\$ 3,695
Town Stand-Alone Plan	-	-	144,527	6,951
Totals	<u>\$ 59,467</u>	<u>\$ 52,199</u>	<u>\$ 377,793</u>	<u>\$ 10,646</u>

**Note 13-Capital Assets:**

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

	Beginning Balance	Increases	Decreases	Ending Balance
Primary Government:				
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 325,732	\$ 1,206,373	\$ -	\$ 1,532,105
Construction in progress	706,317	2,171,308	(297,704)	2,579,921
Total capital assets not being depreciated	<u>\$ 1,032,049</u>	<u>\$ 3,377,681</u>	<u>\$ (297,704)</u>	<u>\$ 4,112,026</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 4,926,857	\$ -	\$ -	\$ 4,926,857
Improvements other than buildings	2,156,247	376,104	-	2,532,351
Machinery and equipment	8,819,006	627,207	(74,391)	9,371,822
Total capital assets, being depreciated	<u>\$ 15,902,110</u>	<u>\$ 1,003,311</u>	<u>\$ (74,391)</u>	<u>\$ 16,831,030</u>
Accumulated depreciation:				
Buildings and improvements	\$ (2,867,605)	\$ (102,186)	\$ -	\$ (2,969,791)
Improvements other than buildings	(604,027)	(119,461)	-	(723,488)
Machinery and equipment	(7,349,855)	(354,304)	74,391	(7,629,768)
Total accumulated depreciation	<u>\$ (10,821,487)</u>	<u>\$ (575,951)</u>	<u>\$ 74,391</u>	<u>\$ (11,323,047)</u>
Total capital assets being depreciated, net	<u>\$ 5,080,623</u>	<u>\$ 427,360</u>	<u>\$ -</u>	<u>\$ 5,507,983</u>
Governmental activities capital assets, net	<u>\$ 6,112,672</u>	<u>\$ 3,805,041</u>	<u>\$ (297,704)</u>	<u>\$ 9,620,009</u>

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

**Note 13-Capital Assets: (continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
Primary Government:				
Business-type Activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 1,984,530	\$ 6,401,496	\$ (1,001,207)	\$ 7,384,819
Capital assets, being depreciated:				
Infrastructure	\$ 15,098,356	\$ 976,462	\$ -	\$ 16,074,818
Buildings and improvements	6,640,862	11,010	-	6,651,872
Machinery and equipment	6,353,042	198,904	(25,530)	6,526,416
Total capital assets, being depreciated	\$ 28,092,260	\$ 1,186,376	\$ (25,530)	\$ 29,253,106
Accumulated depreciation:				
Infrastructure	\$ (7,254,158)	\$ (437,139)	\$ -	\$ (7,691,297)
Buildings and improvements	(3,198,432)	(126,633)	-	(3,325,065)
Machinery and equipment	(5,889,242)	(137,891)	25,530	(6,001,603)
Total accumulated depreciation	\$ (16,341,832)	\$ (701,663)	\$ 25,530	\$ (17,017,965)
Total capital assets being depreciated, net	\$ 11,750,428	\$ 484,713	\$ -	\$ 12,235,141
Business-type activities capital assets, net	\$ 13,734,958	\$ 6,886,209	\$ (1,001,207)	\$ 19,619,960

NOTE: Infrastructure includes line improvements, all else is machinery and equipment or buildings.

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

Governmental activities:	
General government administration	\$ 35,326
Public safety	206,592
Public works	165,480
Parks, recreation and cultural	95,950
Community development	72,603
Total depreciation expense-governmental activities	<u>\$ 575,951</u>
Business-type activities:	
Water	\$ 397,055
Sewer	304,608
Total depreciation expense-business-type activities	<u>\$ 701,663</u>

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

---

**Note 14-Risk Management:**

The Town is 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. The Town participates with other localities in a public entity risk pool for their coverage of general liability, property, crime, machinery and auto insurance with the Virginia Association of Counties. Each member of this risk pool jointly and severally agrees to assume, pay and discharge any liability. The Town pays the Virginia Association of Counties Group contributions and assessments which are deposited into a designated cash reserve fund out of which expenses of the pool, claims and awards are to be paid. In the event of a loss, deficit, or depletion of all available resources, the pool may assess all members in the proportion to which the premium of each bears to the total premiums of all members in the year in which such deficit occurs. The Town continues 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 15-Surety Bonds:**

*Traveler's Insurance*

Trustees of Oakwood and Pinehurst Cemeteries (per trustee)	\$	50,000
--	----	--------

*CNA Surety*

Fire Department - Fire Marshall and Volunteer Fire Department Officers	\$	1,000
--	----	-------

**Note 16-Contingent Liabilities:**

Federal programs in which the Town participates were audited in accordance with the provisions of the U.S. Office of Management and Budget's Uniform Guidance. Pursuant to the provisions of this guidance all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests, which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

**Note 17-Litigation:**

The Town is involved in two matters of litigation that could potentially have a material effect on the financial statements. The first involves a former employee and a wrongful termination claim. The estimated liability for the Town is between \$65,000 to \$75,000 plus attorney fees, if awarded by the court. The Town has insurance coverage that would pay the amount awarded, if any. The second involves a local business and alleged violations of due process related to a zoning ordinance. The action is seeking damages in the amount of \$25,000 plus attorneys' fees, if awarded, with a court date set for August 13-15, 2025. The Town is vigorously defending both claims. No amounts have been recognized in the financial statements as the likelihood of a loss is not probable at this time.

TOWN OF PULASKI, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2024

**Note 18-Commitments and Contingencies:**

The Town was involved in major construction projects during the fiscal year as presented below:

Project	Contract Amount	Contract Amount Outstanding at June 30,	Accounts Payable at June 30
J Hardie Sewer Connection	\$ 196,300	\$ 1,841	\$ 921
J Hardie Sewer Connection	3,001,631	-	81,743
Brookmount Reduction Project	2,930,717	212,799	443,617
Brookmount Reduction Project	408,600	32,654	-
Pedestrian IMP-Main St North	99,625	3,400	-
Pedestrian IMP-Main St South	80,625	3,533	-
VDH Lead Service Line Invt & Replacement	220,000	169,320	43,440
Calfee Adaptive Reuse Project	2,178,341	182,238	192,090

**Note 19-Change in Reporting Entity:**

The Economic Development Authority of the Town of Pulaski, Virginia (the EDA), was created during the fiscal year to promote industrial development within the Town. The Board members of the EDA are appointed by Town Council, the EDA is fiscally dependent upon the Town, and the EDA does not have separate taxing authority. As a result, the reporting entity has been updated to reflect the EDA as a blended component unit within the financial statements.

**Note 20-Upcoming Pronouncements:**

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

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

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

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

## **Required Supplementary Information**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
General property taxes	\$ 3,234,300	\$ 3,234,300	\$ 3,180,405	\$ (53,895)
Other local taxes	3,302,000	3,302,000	3,415,560	113,560
Permits, privilege fees, and regulatory licenses	36,400	36,400	64,114	27,714
Fines and forfeitures	14,000	14,000	59,911	45,911
Revenue from the use of money and property	59,920	59,920	52,667	(7,253)
Charges for services	874,800	874,800	926,007	51,207
Miscellaneous	23,136	23,136	55,548	32,412
Recovered costs	66,000	66,000	55,225	(10,775)
Intergovernmental	3,060,335	3,060,335	5,058,691	1,998,356
Total revenues	<u>\$ 10,670,891</u>	<u>\$ 10,670,891</u>	<u>\$ 12,868,128</u>	<u>\$ 2,197,237</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 1,770,036	\$ 1,820,320	\$ 1,753,236	\$ 67,084
Public safety	4,376,331	4,572,546	4,317,017	255,529
Public works	3,561,084	3,941,016	3,604,273	336,743
Health and welfare	3,000	3,000	3,000	-
Parks, recreation, and cultural	179,860	180,460	187,564	(7,104)
Community development	683,041	1,921,447	970,027	951,420
Capital projects	-	2,828,707	1,712,451	1,116,256
Debt service:				
Principal retirement	97,539	97,539	83,315	14,224
Interest and other fiscal charges	-	-	14,190	(14,190)
Total expenditures	<u>\$ 10,670,891</u>	<u>\$ 15,365,035</u>	<u>\$ 12,645,073</u>	<u>\$ 2,719,962</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (4,694,144)</u>	<u>\$ 223,055</u>	<u>\$ 4,917,199</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	\$ -	\$ -	\$ (695,615)	\$ (695,615)
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (695,615)</u>	<u>\$ (695,615)</u>
Net change in fund balances	\$ -	\$ (4,694,144)	\$ (472,560)	\$ 4,221,584
Fund balances - beginning	-	4,694,144	5,077,702	383,558
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,605,142</u>	<u>\$ 4,605,142</u>

Note 1: GAAP serves as the budgetary basis of accounting

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ 219,554	\$ 219,554
Intergovernmental:				
Commonwealth	-	-	299,102	299,102
Federal	-	25,000	2,460,522	2,435,522
Total revenues	\$ -	\$ 25,000	\$ 2,979,178	\$ 2,954,178
<b>EXPENDITURES</b>				
Current:				
Community development	\$ -	\$ 5,848,401	\$ 3,109,863	\$ 2,738,538
Total expenditures	\$ -	\$ 5,848,401	\$ 3,109,863	\$ 2,738,538
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (5,823,401)	\$ (130,685)	\$ 5,692,716
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	\$ -	\$ -	\$ (1,500)	\$ (1,500)
Total other financing sources (uses)	\$ -	\$ -	\$ (1,500)	\$ (1,500)
Net change in fund balances	\$ -	\$ (5,823,401)	\$ (132,185)	\$ 5,691,216
Fund balances - beginning	-	5,823,401	27,323	(5,796,078)
Fund balances (deficits) - ending	\$ -	\$ -	\$ (104,862)	\$ (104,862)

Note 1: GAAP serves as the budgetary basis of accounting

Town of Pulaski, Virginia  
 Schedule of Changes in Net Pension Liability (Asset) and Related Ratios  
 Pension Plan  
 For the Measurement Dates of June 30, 2014 through June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>	\$ 620,786	\$ 566,084	\$ 549,234	\$ 547,648	\$ 536,213	\$ 550,896	\$ 525,270	\$ 497,436	\$ 512,800	\$ 496,528
Service cost	1,782,036	1,798,471	1,683,226	1,683,265	1,579,107	1,529,944	1,470,741	1,411,894	1,354,591	1,291,245
Interest	-	-	-	-	732,801	-	(54,234)	-	-	(848,943)
Changes in benefit terms	-	-	1,169,104	-	-	-	-	-	-	-
Differences between expected and actual experience	(978,971)	(1,119,568)	(839,269)	(939,998)	687,461	(273,749)	(91,914)	(138,731)	(135,253)	-
Benefit payments	(1,664,117)	(1,422,229)	(1,419,844)	(1,163,140)	(1,150,867)	(1,058,686)	(949,496)	(910,350)	(916,714)	-
<b>Net change in total pension liability</b>	\$ (240,266)	\$ (177,242)	\$ 1,142,451	\$ 127,775	\$ 2,384,715	\$ 748,405	\$ 900,367	\$ 860,249	\$ 815,424	\$ 938,830
<b>Total pension liability - beginning</b>	\$ 26,611,808	\$ 26,789,050	\$ 25,646,599	\$ 25,518,824	\$ 23,134,109	\$ 22,385,704	\$ 21,485,337	\$ 20,625,088	\$ 19,809,664	\$ 18,870,834
<b>Total pension liability - ending (a)</b>	\$ 26,371,542	\$ 26,611,808	\$ 26,789,050	\$ 25,646,599	\$ 25,518,824	\$ 23,134,109	\$ 22,385,704	\$ 21,485,337	\$ 20,625,088	\$ 19,809,664
<b>Plan fiduciary net position</b>	\$ 473,481	\$ 454,127	\$ 461,201	\$ 427,748	\$ 408,818	\$ 438,826	\$ 448,415	\$ 506,268	\$ 510,626	\$ 496,437
Contributions - employer	218,909	199,879	203,503	211,447	201,506	202,655	208,261	205,435	210,833	191,112
Contributions - employee	1,758,698	(22,756)	6,256,022	439,808	1,467,879	1,552,350	2,318,353	327,439	839,378	2,516,703
Net investment income	(1,664,117)	(1,422,229)	(1,419,844)	(1,163,140)	(1,150,867)	(1,058,686)	(949,496)	(910,350)	(916,714)	(848,943)
Benefit payments	(17,947)	(17,821)	(15,905)	(15,123)	(14,724)	(13,489)	(13,408)	(11,785)	(11,496)	(13,544)
Administrator charges	705	651	585	(519)	(922)	(1,382)	(2,063)	(140)	(178)	133
<b>Other</b>	\$ 769,729	\$ (808,149)	\$ 5,485,562	\$ (99,779)	\$ 911,690	\$ 1,120,274	\$ 2,010,062	\$ 116,867	\$ 632,449	\$ 2,341,898
<b>Net change in plan fiduciary net position</b>	\$ 27,717,492	\$ 28,525,641	\$ 23,040,079	\$ 23,139,858	\$ 22,228,168	\$ 21,107,894	\$ 19,097,832	\$ 18,990,965	\$ 18,348,516	\$ 16,006,618
<b>Plan fiduciary net position - beginning</b>	\$ 28,487,221	\$ 27,717,492	\$ 28,525,641	\$ 23,040,079	\$ 23,139,858	\$ 22,228,168	\$ 21,107,894	\$ 19,097,832	\$ 18,980,965	\$ 18,348,516
<b>Plan fiduciary net position - ending (b)</b>	\$ (2,115,679)	\$ (1,105,664)	\$ (1,736,591)	\$ 2,606,520	\$ 2,378,966	\$ 905,941	\$ 1,277,810	\$ 2,387,505	\$ 1,644,123	\$ 1,461,148
<b>Town's net pension liability (asset) - ending (a) - (b)</b>	108.02%	104.15%	106.48%	89.84%	90.68%	96.08%	94.29%	88.89%	92.03%	92.62%
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	\$ 4,586,669	\$ 4,137,010	\$ 4,159,054	\$ 4,286,122	\$ 4,084,885	\$ 4,157,222	\$ 4,190,931	\$ 3,889,933	\$ 3,877,452	\$ 3,780,308
<b>Covered payroll</b>	-46.13%	-26.73%	-41.75%	60.81%	58.24%	21.79%	30.49%	61.38%	42.40%	38.65%
<b>Town's net pension liability (asset) as a percentage of covered payroll</b>										

Town of Pulaski, Virginia  
 Schedule of Employer Contributions  
 Pension Plan  
 For the Years Ended June 30, 2015 through June 30, 2024

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2024	\$ 507,639	\$ 507,639	-	\$ 4,950,204	10.25%
2023	473,516	473,516	-	4,586,669	10.32%
2022	454,043	454,043	-	4,137,010	10.98%
2021	461,201	461,201	-	4,159,054	11.09%
2020	427,748	427,748	-	4,286,122	9.98%
2019	408,833	408,833	-	4,084,885	10.01%
2018	442,618	442,618	-	4,157,222	10.65%
2017	448,415	448,415	-	4,190,931	10.70%
2016	506,268	506,268	-	3,889,933	13.01%
2015	508,334	508,334	-	3,877,452	13.11%

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

Town of Pulaski, Virginia  
 Notes to Required Supplementary Information  
 Pension 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:

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

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

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
2023	0.01945%	\$ 233,266	\$ 4,581,627	5.09%	69.30%
2022	0.01900%	229,260	4,141,581	5.54%	67.21%
2021	0.02010%	234,368	4,156,290	5.64%	67.45%
2020	0.02087%	348,286	4,286,122	8.13%	52.64%
2019	0.02088%	339,773	4,084,915	8.32%	52.00%
2018	0.02171%	330,000	4,157,222	7.94%	51.22%
2017	0.02272%	342,000	4,194,459	8.15%	48.86%

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

Town of Pulaski, Virginia  
 Schedule of Employer Contributions  
 Group Life Insurance (GLI) Plan  
 For the Years Ended June 30, 2015 through June 30, 2024

---

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2024	\$ 26,733	\$ 26,733	-	\$ 4,950,629	0.54%
2023	24,741	24,741	-	4,581,627	0.54%
2022	22,365	22,365	-	4,141,581	0.54%
2021	22,406	22,406	-	4,156,290	0.54%
2020	22,375	22,375	-	4,286,122	0.52%
2019	21,242	21,242	-	4,084,915	0.52%
2018	21,618	21,618	-	4,157,222	0.52%
2017	21,793	21,793	-	4,194,459	0.52%
2016	18,671	18,671	-	3,889,932	0.48%
2015	18,611	18,611	-	3,877,451	0.48%

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

---

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

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

**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

Town of Pulaski, Virginia  
 Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios - Health Insurance  
 Primary Government

For the Years Ended June 30, 2018 through June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB liability</b>							
Service cost	\$ 93,958	\$ 93,958	\$ 93,958	\$ 93,958	\$ 93,958	\$ 93,958	\$ -
Interest	9,476	11,737	7,642	8,667	12,744	61,939	-
Effect of Economic/Demographic Gains or Losses	(96,190)	(117,669)	(121,747)	(123,816)	(67,445)	(1,370,064)	1,585,400
Effect of Assumptions Changes or Inputs	(293)	1,549	(14,479)	2,443	16,474	5,290	(65,427)
Employer Contributions	(27,642)	(27,642)	(27,642)	(27,642)	(27,642)	(27,242)	-
<b>Net change in total OPEB liability</b>	<b>\$(20,691)</b>	<b>\$(38,067)</b>	<b>\$(62,268)</b>	<b>\$(46,390)</b>	<b>\$ 28,089</b>	<b>\$(1,236,119)</b>	<b>\$ 1,519,973</b>
<b>Total OPEB liability - beginning</b>	<b>165,218</b>	<b>203,285</b>	<b>265,553</b>	<b>311,943</b>	<b>283,854</b>	<b>1,519,973</b>	<b>-</b>
<b>Total OPEB liability - ending</b>	<b>\$ 144,527</b>	<b>\$ 165,218</b>	<b>\$ 203,285</b>	<b>\$ 265,553</b>	<b>\$ 311,943</b>	<b>\$ 283,854</b>	<b>\$ 1,519,973</b>
<b>Covered-employee payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Town of Pulaski's total OPEB liability (asset) as a percentage of covered-employee payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

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

Town of Pulaski, Virginia  
 Notes to Required Supplementary Information - Health Insurance  
 For the Year Ended June 30, 2024

---

Calculation Date: 6/30/2023  
 Measurement Date: 6/30/2023

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

*Methods and assumptions used to determine OPEB liability:*

Actuarial Cost Method	Entry age normal
Discount Rate	3.930%
Inflation	1.70%
Healthcare Trend Rate	The medical trend rate starts at 4.7% for year one and decreases incrementally to an ultimate rate of 4.2% at year 8. The pharmacy trend rate starts at 5.2% for year one, decreasing to 4.8% in year 2 and decreasing incrementally to an ultimate rate of 4.2% in year 8. The dental trend rate starts at 3.5% for years one and two, decreasing to an ultimate rate of 3.0% in year three. The vision trend rate is 3.0% for all years.
Salary Increase Rates	1.70%
Retirement Age	The average age at retirement is 62
Mortality Rates	Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years.

## **Other Supplementary Information**

Town of Pulaski, Virginia  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2024

	Special Revenue Funds		
	<u>Cemetery</u>	CDBG <u>Housing</u>	<u>Total</u>
	<u>Care</u>	<u>Rehabilitation</u>	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 514,984	\$ 98,963	\$ 613,947
Total assets	\$ 514,984	\$ 98,963	\$ 613,947
<b>FUND BALANCES</b>			
Nonspendable:			
Principal Cemetery Maintenance	\$ 514,984	\$ -	\$ 514,984
Restricted:			
Housing Rehabilitation	-	98,963	98,963
Total fund balances	\$ 514,984	\$ 98,963	\$ 613,947
Total liabilities and fund balances	\$ 514,984	\$ 98,963	\$ 613,947

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

	<u>Special Revenue Funds</u>		
	<u>Cemetery Care</u>	<u>CDBG Housing Rehabilitation</u>	<u>Total</u>
<b>REVENUES</b>			
Revenue for the use of money and property	\$ 4,204	\$ -	\$ 4,204
Miscellaneous	6,664	-	6,664
Total revenues	<u>\$ 10,868</u>	<u>\$ -</u>	<u>\$ 10,868</u>
<b>EXPENDITURES</b>			
Current:			
Parks, recreation, and cultural	\$ 8,271	\$ -	\$ 8,271
Community development	-	39,730	39,730
Total expenditures	<u>\$ 8,271</u>	<u>\$ 39,730</u>	<u>\$ 48,001</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,597</u>	<u>\$ (39,730)</u>	<u>\$ (37,133)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ -	\$ 1,500	\$ 1,500
Total other financing sources(uses)	<u>\$ -</u>	<u>\$ 1,500</u>	<u>\$ 1,500</u>
Net change in fund balances	\$ 2,597	\$ (38,230)	\$ (35,633)
Fund balance - beginning	512,387	137,193	649,580
Fund balance - ending	<u>\$ 514,984</u>	<u>\$ 98,963</u>	<u>\$ 613,947</u>

## **Other Statistical Information**

Table 1

**Town of Pulaski, Virginia**  
**Government-wide Expenses by Function**  
**Last Ten Fiscal Years**

Fiscal Year	General Government Administration	Public Safety	Public Works	Health and Welfare	Parks, Recreation, and Cultural	Community Development	Interest and Other Fiscal Charges	Water and Sewer	Total
2023-24	\$ 1,635,871	\$ 3,508,305	\$ 3,613,119	\$ 3,000	\$ 359,368	\$ 1,968,126	\$ 12,891	\$ 6,140,112	\$ 17,240,792
2022-23	1,409,478	3,558,288	2,856,399	7,000	973,331	719,385	20,800	5,868,982	15,413,663
2021-22	1,519,371	3,546,345	2,612,056	8,000	238,538	1,032,458	26,125	4,990,349	13,973,242
2020-21	1,328,235	4,883,739	2,277,954	8,410	277,641	1,471,218	32,947	5,744,419	16,024,563
2019-20	1,365,628	4,673,783	2,462,127	4,410	469,090	1,107,514	235,147	5,526,872	15,844,571
2018-19	1,187,829	2,931,796	2,230,771	8,200	464,050	978,947	237,429	5,038,892	13,077,914
2017-18	1,373,793	4,265,918	2,697,926	12,200	751,366	977,461	257,887	4,755,422	15,091,973
2016-17	1,342,342	3,565,753	2,784,428	4,000	774,272	822,034	274,691	4,708,419	14,275,939
2015-16	1,081,694	3,701,094	2,612,142	12,000	795,455	453,688	266,420	4,856,894	13,779,387
2014-15	1,436,241	2,951,823	2,239,236	5,000	809,653	323,191	293,553	4,504,108	12,562,805

Table 2

Town of Pulaski, Virginia  
Government-wide Revenues  
Last Ten Fiscal Years

Fiscal Year	PROGRAM REVENUES				GENERAL REVENUES						Total (1)
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		General Property Taxes	Other Local Taxes	Unrestricted Revenue from Use of Money	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs		
2023-24	\$ 7,507,796	\$ 6,189,934	\$ 4,730,866	\$ 3,220,731	\$ 3,415,560	\$ 92,015	\$ 859,390	\$ 451,389	\$ 26,467,681		
2022-23	7,250,055	6,689,520	1,357,584	3,293,837	3,158,724	76,103	483,385	467,154	22,776,362		
2021-22	6,369,709	5,539,764	717,753	3,044,128	3,144,508	53,260	214,729	475,826	19,559,677		
2020-21	5,805,539	4,119,733	-	2,449,363	2,930,393	48,813	130,342	484,390	15,968,573		
2019-20	6,215,414	3,055,464	11,176	2,502,520	2,838,767	56,574	245,839	526,661	15,452,415		
2018-19	5,422,054	2,702,973	41,453	2,853,230	2,798,148	63,781	120,477	535,836	14,537,952		
2017-18	5,035,138	3,045,924	25,025	2,560,703	2,698,612	82,158	108,424	566,226	14,122,210		
2016-17	5,284,488	2,882,673	27,795	2,136,912	2,657,200	83,922	124,981	581,808	13,779,779		
2015-16	4,926,171	2,435,584	91,694	2,261,922	2,472,338	100,970	106,952	590,939	12,986,570		
2014-15	4,869,310	2,301,717	-	2,684,973	2,434,891	47,761	243,681	918,506	13,500,839		

(1) Table does not include special or extraordinary items.

Table 3

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

Fiscal Year	General Administration	Public Safety	Public Works	Health and Welfare	Parks, Recreation & Cultural	Community Development	Non-Departmental	Debt Service	Capital Projects	Totals
2023-24	\$ 1,753,236	\$ 4,317,017	\$ 3,604,273	\$ 3,000	\$ 187,564	\$ 970,027	\$ -	\$ 97,505	\$ 1,712,451	\$ 12,645,073
2022-23	1,652,346	4,146,290	3,621,323	7,000	173,491	613,995	-	331,945	755,281	11,301,671
2021-22	1,587,704	3,986,802	2,688,809	8,000	180,663	827,458	-	260,646	774,141	10,314,223
2020-21	1,392,693	4,612,130	2,132,301	8,410	205,201	795,642	-	303,252	100,037	9,549,666
2019-20	1,558,561	4,143,210	2,194,123	4,410	206,464	844,892	-	762,618	600,761	10,315,039
2018-19	1,621,812	3,709,269	2,367,443	8,200	498,846	562,423	111,293	754,572	-	9,633,858
2017-18	1,458,643	3,663,756	2,362,127	12,200	604,632	375,365	70,530	788,004	-	9,335,257
2016-17	1,527,021	3,520,292	2,624,419	4,000	666,725	493,830	-	778,891	262,665	9,877,843
2015-16	1,329,107	3,591,572	2,797,258	12,000	735,789	378,560	-	725,620	97,295	9,667,201
2014-15	1,740,023	2,970,264	2,399,349	5,000	804,700	295,321	-	700,869	239,905	9,155,431

Note: (1) Includes only General Fund.

Table 4

**Town of Pulaski, Virginia**  
**Governmental Revenues by Source (1)**  
**Last Ten Fiscal Years**

Fiscal Year	General Property Taxes	Other Local Taxes	Permits Privilege Fees and Regulatory Licenses	Fines and Forfeitures	Revenue from use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental	Total
2023-24	\$ 3,180,405	\$ 3,415,560	\$ 64,114	\$ 59,911	\$ 52,667	\$ 926,007	\$ 55,548	\$ 55,225	\$ 5,058,691	\$ 12,868,128
2022-23	3,311,275	3,158,724	39,189	9,248	75,032	944,814	45,793	275,893	5,689,773	13,549,741
2021-22	3,020,035	3,144,508	36,024	10,100	68,471	197,921	67,523	60,354	4,379,405	10,984,341
2020-21	2,709,356	2,930,393	39,068	13,486	39,341	133,654	14,323	82,003	4,032,577	9,994,201
2019-20	2,539,213	2,838,767	26,854	61,335	38,209	207,799	15,072	302,001	3,548,232	9,577,482
2018-19	2,483,414	2,798,148	39,434	30,435	51,378	209,250	21,371	260,203	3,045,806	8,939,439
2017-18	2,540,065	2,698,612	35,655	28,383	70,776	209,116	16,622	318,175	3,060,668	8,978,072
2016-17	2,394,127	2,657,200	22,237	50,449	76,286	230,745	26,465	275,910	3,099,994	8,833,413
2015-16	2,419,000	2,472,338	18,717	36,742	96,615	177,101	18,543	257,859	3,026,523	8,523,438
2014-15	2,439,448	2,434,891	10,573	69,270	95,835	304,975	21,085	307,253	2,908,196	8,591,526

Note: (1) Includes only General Fund.

Table 5

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

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1)	Percent of Delinquent Taxes to Tax Levy
2023-24	\$ 3,330,603	\$ 3,021,538	90.72%	\$ 176,784	\$ 3,198,322	96.03%	\$ 398,754	11.97%
2022-23	3,257,747	3,083,424	94.65%	207,444	3,290,868	101.02%	271,201	8.32%
2021-22	3,120,022	2,935,674	94.09%	143,863	3,079,537	98.70%	310,135	9.94%
2020-21	2,842,522	2,670,505	93.95%	113,018	2,783,523	97.92%	276,911	9.74%
2019-20	2,660,774	2,514,834	94.52%	104,527	2,619,361	98.44%	524,538	19.71%
2018-19	2,678,133	2,489,224	92.95%	73,538	2,562,762	95.69%	561,232	20.96%
2017-18	2,620,671	2,491,648	95.08%	96,068	2,587,716	98.74%	191,417	7.30%
2016-17	2,550,108	2,442,811	95.79%	57,111	2,499,922	98.03%	171,430	6.72%
2015-16	2,512,499	2,359,799	93.92%	124,209	2,484,008	98.87%	427,993	17.03%
2014-15	2,448,453	2,265,908	92.54%	239,316	2,505,224	102.32%	585,071	23.90%

(1) Exclusive of penalties and interest.

Table 6

**Town of Pulaski, Virginia**  
**Assessed Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year	Real Estate (1)	Personal Property (2)	Machinery and Tools	Public Service Companies (3)	Total
2023-24	\$ 513,292,050	\$ 90,425,395	\$ 86,439,747	\$ 18,831,763	\$ 708,988,955
2022-23	511,838,450	92,636,106	76,858,379	16,428,047	697,760,982
2021-22	509,517,800	77,332,662	78,940,628	24,674,727	690,465,817
2020-21	480,704,400	70,337,418	72,395,488	20,131,698	643,569,004
2019-20	450,080,387	65,056,500	68,923,133	18,077,105	602,137,125
2018-19	446,750,837	62,807,917	74,539,155	18,508,689	602,606,598
2017-18	444,439,150	61,957,460	68,518,700	19,335,551	594,250,861
2016-17	442,767,941	58,565,226	63,296,177	20,517,705	585,147,049
2015-16	440,226,848	56,582,559	61,949,003	19,831,200	578,589,610
2014-15	455,831,400	55,080,716	61,154,703	18,697,663	590,764,482

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

(2) Assessed at 40% of fair market value.

(3) Assessed values are established by the State Corporation Commission (includes real estate and personal property).

Table 7

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

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools
2023-24	\$ 0.36	\$ 0.80	\$ 0.36	\$ 0.80
2022-23	0.36	0.80	0.36	0.80
2021-22	0.36	0.80	0.34	0.80
2020-21	0.34	0.80	0.34	0.80
2019-20	0.34	0.80	0.34	0.80
2018-19	0.34	0.80	0.34	0.80
2017-18	0.34	0.80	0.34	0.80
2016-17	0.34	0.80	0.34	0.80
2015-16	0.34	0.80	0.34	0.80
2014-15	0.32	0.80	0.32	0.80

(1) Per \$100 of assessed value.

Table 8

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

Fiscal Year	Population (1)	Assessed Value (in thousands)	Net Bonded Debt (2)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2023-24	8,985	708,989	\$ 530,661	0.07% \$	59
2022-23	8,904	697,761	613,976	0.09%	69
2021-22	8,985	690,466	800,812	0.12%	89
2020-21	8,985	643,569	999,136	0.16%	111
2019-20	9,086	602,137	1,218,606	0.20%	134
2018-19	9,086	602,607	1,419,102	0.24%	156
2017-18	9,086	594,251	2,041,412	0.34%	225
2016-17	9,086	585,147	2,653,802	0.45%	292
2015-16	9,086	578,590	3,193,834	0.55%	352
2014-15	9,086	590,764	3,592,044	0.61%	395

(1) Source: Bureau of Economic Analysis.

(2) Excludes notes payable, loans payable, and leases.

Table 9

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

Fiscal Year	Principal	Interest and Bond Issuance Costs	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2023-24	\$ 83,315	\$ 14,190	\$ 97,505	\$ 12,645,073	0.77%
2022-23	307,717	24,228	331,945	11,301,671	2.94%
2021-22	234,099	26,547	260,646	10,314,223	2.53%
2020-21	270,509	32,743	303,252	9,549,666	3.18%
2019-20	704,027	58,591	762,618	10,315,039	7.39%
2018-19	699,886	54,686	754,572	9,633,858	7.83%
2017-18	711,239	76,765	788,004	9,335,257	8.44%
2016-17	684,421	94,470	778,891	9,877,843	7.89%
2015-16	642,081	83,539	725,620	9,667,201	7.51%
2014-15	591,875	108,994	700,869	9,155,431	7.66%

(1) Includes General Fund only.

---

## COMPLIANCE SECTION

---



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

---

**To the Honorable Members of Town Council  
Town of Pulaski, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Pulaski, Virginia as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Pulaski, Virginia's basic financial statements and have issued our report thereon dated November 25, 2024.

**Report on Internal Control over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Pulaski, Virginia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2024-002.

## Town of Pulaski, Virginia's Response to Findings

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

### Purpose of This Report

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

Robinson, Jarmer, Cox, Associates

Blacksburg, Virginia  
November 25, 2024



**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 Town Council  
Town of Pulaski, Virginia**

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

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

We have audited Town of Pulaski, Virginia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Town of Pulaski, Virginia's major federal programs for the year ended June 30, 2024. Town of Pulaski, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

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

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

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

***Responsibilities of Management for Compliance***

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

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

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

a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Town of Pulaski, Virginia's compliance with the requirements of each major federal program as a whole.

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

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

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

#### *Other Matters*

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2024-003. Our opinion on each major federal program is not modified with respect to these matters.

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

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

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

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

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

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

*Robinson, Jarmon, Cox, Associates*

Blacksburg, Virginia  
November 25, 2024

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

Federal Grantor/State Pass-through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Housing and Urban Development:			
Pass-through Payments:			
Virginia Department of Housing and Community Development:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	117612/120928	\$ 2,120,010
Appalachian Regional Commission:			
Pass-through Payments:			
Virginia Department of Housing and Community Development:			
Appalachian Area Development	23.002	HCD49301	\$ 961,653
Department of Transportation:			
Pass-through Payments:			
Virginia Department of Transportation:			
Highway Planning and Construction	20.205	Not available	\$ 8,329
Virginia Department of Motor Vehicles:			
Highway Safety Cluster:			
State and Community Highway Safety (402 Funds)	20.600	BPT-2024-54080-24080	9,306
Alcohol Open Container Requirements	20.607	ENF AL-2024-54268-24268	5,292
Total Department of Transportation			<u>\$ 22,927</u>
Department of the Treasury:			
Direct Payments:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Not applicable	\$ 1,786,534
Pass-through Payments:			
Virginia Department of Criminal Justice Services:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Not available	138,384
Virginia Department of Housing and Community Development			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Not available	775,231
Total Department of the Treasury			<u>\$ 2,700,149</u>
Department of Commerce:			
Direct Payments:			
Economic Development Cluster:			
Investments for Public Works and Economic Development Facilities	11.300	Not applicable	\$ 1,150,147
Department of Justice:			
Pass-through Payments:			
Virginia Department of Criminal Justice Services:			
Violence Against Women Formula Grants	16.588	Not available	\$ 47,695
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA23GG03038MUMU	4,298
Total Department of Justice			<u>\$ 51,993</u>
Environmental Protection Agency:			
Direct Payments:			
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	Not applicable	\$ 44,431
Total Expenditures of Federal Awards			<u>\$ 7,051,310</u>

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

---

**Notes to the Schedule of Expenditures of Federal Awards:**

Note 1 -- Basis of Presentation

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

Note 2 -- Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in 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 Town did not elect to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

Note 3 -- Donated Items

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

Note 4 -- Subrecipients

The Town did not have any subrecipients for the year ended June 30, 2024.

Note 5 -- Relationship to the Financial Statements:

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

Intergovernmental federal revenues per the basic financial statements:

Primary Government:

General Fund total	\$ 5,058,691
Less revenue from the Commonwealth	(3,522,721)
Grants Fund total	2,759,624
Less revenue from the Commonwealth	(299,102)
Water and Sewer Fund total	3,553,874
Less revenue from the Commonwealth	(499,056)
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ 7,051,310

Town of Pulaski, 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?	Yes
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	Yes

Federal Awards

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

Identification of major programs:

Federal Assistance Listing Number	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds
11.300	Economic Development Cluster
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
23.002	Appalachian Area Development

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

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

---

**Section II - Financial Statement Findings**

<b>2024-001</b>	<b>Material Weakness</b>
Criteria	Per auditing standards, an auditee should have sufficient controls in place to produce financial statements in accordance with applicable standards.
Condition	Trial balances as presented for audit did not contain all necessary adjustments to comply with generally accepted accounting principles (GAAP). As such, there were proposed adjustments that were material to the financial statements.
Cause	There was an inadequate review of source documents, and as a result, management failed to identify and record the necessary adjustments. Staff availability is limited and there is not adequate time to devote to compiling modified and full accrual financial statement information.
Effect	There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected by the internal controls over financial reporting.
Recommendation	Management and their consultant should review and incorporate the proposed audit adjustments in the next year's trial balances presented for audit.
Management's Response	Management agrees with this finding and will continue to work with the consultant to ensure information is prepared timely and accurately to complete the audit process.
<b>2024-002</b>	<b>State Compliance Finding</b>
Criteria	The Town should follow state purchasing requirements set forth in the Virginia Public Procurement Act (VPPA).
Condition	The Town failed to follow State procurement requirements for the purchase of chemicals.
Cause	The Town did not follow VPPA requirements wherein the purchase of goods expected to exceed \$200,000 must either be procured through competitive negotiation or sealed bids.
Effect	The requirements of the VPPA were not met and it is unclear whether competition was sought in selecting a vendor to ensure that all qualified bidders had access to bid and to ensure that the Town received the best value.
Recommendation	Requirements of the VPPA should be reviewed to ensure that all aspects of the VPPA are followed.
Management's Response	Management obtained informal quotes from vendors for similar purchases in 2023 and continued to use the same vendor in 2024 under the assumption that they would still be the low-cost provider. Management will review the requirements of the VPPA and strive to ensure compliance with the VPPA in the future.

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

---

Section III - Federal Award Findings and Questioned Costs

2024-003	Material Noncompliance
Program Titles:	Economic Development Cluster
ALN:	11.300
Pass-through Entity:	N/A - Direct Award
Compliance Requirement:	Reporting
Finding Type:	Noncompliance
Criteria:	Amounts reported on the SF-425 quarterly reports should reconcile to the underlying records.
Condition:	Activity for receipts and disbursements reported for the quarter ended June 30, 2024 were the same totals as were reported for the quarter ended March 30, 2024. Additionally, amounts should be reported on a cash basis but were reported to correlate with the amounts submitted on reimbursement requests instead.
Questioned Costs:	None
Context:	All quarterly reports filed during the fiscal year were reviewed during the audit. On a cash basis the reports differed from the underlying records as follows: Q3 2023 under-reported by \$199,513.17; Q4 2023 under-reported by \$7,553.17; Q1 2024 under-reported by \$6,767.70; and Q2 2024 under-reported by \$335,801.77. On a reimbursement basis, Q2 2024 was under-reported by \$321,352.28 while all other quarters agreed to the reimbursement requests filed.
Effect:	Amounts reported were inaccurately reported as expended to the federal government.
Cause:	Requested amounts were not routinely reconciled to the general ledger or budgetary tracking sheet.
Recommendation:	Management should reconcile amounts requested for reimbursement to the general ledger and/or budgetary tracking sheet routinely throughout the year to ensure that amounts are appropriately reported.
Views of Responsible Officials:	Management will review its process for reviewing reports and reconciling totals prior to submission.

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

---

**2023-001**

---

Condition:	Trial balances as presented for audit did not contain all necessary adjustments to comply with generally accepted accounting principles (GAAP). As such, there were proposed adjustments that were material to the financial statements.
Recommendation:	Management and their consultant should review and incorporate the proposed audit adjustments in the next year's trial balances presented for audit.
Current Status:	Finding 2023-001 was repeated in the current year as 2024-001.