PULASKI COUNTY PUBLIC SERVICE AUTHORITY

(A COMPONENT UNIT OF PULASKI COUNTY, VIRGINIA)

FINANCIAL REPORT
YEAR ENDED JUNE 30, 2023

Pulaski County Public Service Authority
(A Component Unit of Pulaski County, Virginia)
Annual Financial Report
Year Ended June 30, 2023

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FINANCIAL SECTION

ROBINSON, FARMER, COX ASSOCIATES, PLLC
Certified Public Accountants
CPAs | CONSULTANTS

Independent Auditors' Report

To the Honorable Members of
Pulaski County Public Service Authority
Pulaski, Virginia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of Pulaski County Public Service Authority, component unit of the County of Pulaski, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority'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 business-type activities of Pulaski County Public Service Authority, as of June 30, 2023, and the changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Authorities, Boards, and Commissions,* 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 Pulaski County Public Service Authority, 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 opinion.

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 Pulaski County Public Service Authority'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 Authorities, Boards, and Commissions* 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 Authorities, Boards, and Commissions*, 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 Pulaski County Public Service Authority'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 Pulaski County Public Service Authority'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 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.

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 an opinion on the financial statements that collectively comprise Pulaski County Public Service Authority's basic financial statements. The supporting schedule is 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 supporting schedule is 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 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 May 17, 2024, on our consideration of Pulaski County Public Service Authority'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 Pulaski County Public Service Authority'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 Pulaski County Public Service Authority's control over financial reporting and compliance.

Robinson, Farmer, Cox, Associates

Blacksburg, Virginia
May 17, 2024

Financial Statements

Exhibit 1

PULASKI COUNTY PUBLIC SERVICE AUTHORITY
(A COMPONENT UNIT OF PULASKI COUNTY, VIRGINIA)
Statement of Net Position
At June 30, 2023

Assets:		
Current Assets:		
Cash	$	4,164,474
Receivables (net of allowance for uncollectibles)		1,381,021
Prepaid expenses		22,610
Due from primary government		17,078
Due from other governmental units		478,652
Loans receivable, current portion		113,948
Total Current Assets	$	6,177,783
Noncurrent Assets:		
Restricted cash	$	367,874
Loans receivable, long-term portion		2,006,730
Capital assets, not being depreciated		681,563
Capital assets, net of accumulated depreciation		26,821,670
Total Noncurrent Assets	$	29,877,837
Total Assets	$	36,055,620
Deferred Outflows of Resources:		
Pension related items	$	317,393
OPEB related items		68,824
Total Deferred Outflows of Resources	$	386,217
Liabilities:		
Current Liabilities:		
Accounts payable	$	784,227
Accrued payroll		151,422
Interest payable		20,742
Customer deposits		168,178
Due to primary government		505
Compensated absences, current portion		61,584
Proprietary debt, current portion		375,877
Total Current Liabilities	$	1,562,535
Noncurrent Liabilities:		
Compensated absences, long-term portion	$	184,753
Net OPEB liabilities		248,907
Net pension liability		104,808
Proprietary debt, long-term portion		10,971,270
Total Noncurrent Liabilities	$	11,509,738
Total Liabilities	$	13,072,273
Deferred Inflows of Resources:		
Pension related items	$	410,566
OPEB related items		135,880
Total Deferred Inflows of Resources	$	546,446
Net Position:		
Net investment in capital assets	$	17,133,373
Restricted for Debt Service		367,874
Unrestricted		5,321,871
Total Net Position	$	22,823,118

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

Exhibit 2

PULASKI COUNTY PUBLIC SERVICE AUTHORITY
(A COMPONENT UNIT OF PULASKI COUNTY, VIRGINIA)
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2023

Operating Revenues:		
Water, sewer, and garbage services	$	9,763,542
Street lights		23,775
Reconnection fees		2,700
Penalties and interest on delinquent accounts		78,013
Miscellaneous		231,865
Total operating revenues	$	10,099,895
Operating Expenses:		
Water Distribution	$	1,294,342
Water Treatment Plant		1,727,376
Sewer Collection and Treatment		1,630,835
Refuse Collection and Disposal		4,749,146
Administration		938,650
Street Lighting		8,227
Total operating expenses	$	10,348,576
Operating income (loss)	$	(248,681)
Nonoperating Revenues (Expenses):		
Interest income	$	23,582
Interest on notes receivable		41,240
Contribution to County of Pulaski		(56,330)
Contribution to Pulaski EDA		(6,624)
Connection fees		39,250
Interest expense		(315,833)
Total nonoperating revenues (expenses)	$	(274,715)
Income (loss) before capital contributions	$	(523,396)
Capital Contributions:		
Grants		486,595
Increase (Decrease) in Net Position		(36,801)
Net Position, Beginning of Year		22,859,919
Net Position, End of Year	$	22,823,118

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

PULASKI COUNTY PUBLIC SERVICE AUTHORITY
(A COMPONENT UNIT OF PULASKI COUNTY, VIRGINIA)
Statement of Cash Flows
Year Ended June 30, 2023

Cash flows from operating activities:		
Cash received from customers	$	10,406,317
Cash paid to suppliers for goods and services		(4,572,516)
Cash paid to employees for services		(3,882,391)
Net cash provided by (used for) operating activities	$	1,951,410
Cash flows from noncapital financing activities:		
Contributions (to) from Pulaski County	$	(73,408)
Contributions (to) from Pulaski EDA		(6,624)
Net cash provided by (used for) noncapital financing activities	$	(80,032)
Cash flows from capital and related financing activities:		
Connection charges	$	39,250
Acquisition of capital assets		(2,934,959)
Proceeds from issuance of debt		1,030,290
Capital grants received		307,749
Retirement of debt		(381,238)
Interest and loan costs paid on debt		(314,804)
Net cash provided by (used for) capital and related financing activities	$	(2,253,712)
Cash flows from investing activities:		
Interest income	$	23,582
Interest received from notes receivable		41,240
Loan payments received		110,525
Net cash provided by (used for) investing activities	$	175,347
Net increase (decrease) in cash	$	(206,987)
Cash at beginning of year (including restricted cash of $361,053)		4,739,335
Cash at end of year (including restricted cash of $367,864)	$	4,532,348

Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities

Operating income (loss)	$	(248,681)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation		1,771,089
(Increase) decrease in receivables		293,863
(Increase) decrease in prepaid expenses		728
(Increase) decrease in deferred outflows of resources		110,078
(Increase) decrease in net pension asset		291,226
Increase (decrease) in operating accounts payable		215,944
Increase (decrease) in Due to Primary Government		505
Increase (decrease) in compensated absences		45,395
Increase (decrease) in net OPEB liabilities		(10,530)
Increase (decrease) in net pension liability		104,808
Increase (decrease) in deferred inflows of resources		(626,456)
Increase (decrease) in accrued payroll		(9,118)
Increase (decrease) in customer deposits		12,559
Net cash provided by (used for) operating activities	$	1,951,410

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

A. The Financial Reporting Entity:
The Authority is a discretely presented component unit of the County of Pulaski, Virginia and is presented as such in the County's financial report for the fiscal year ended June 30, 2023.

B. Basis of Accounting:
Proprietary Funds- The accrual basis of accounting is used for the Authority. Under the accrual method, revenues are recognized when earned and expenses are recognized when incurred.

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for sales and services. Operating expenses 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.

C. Capital Assets:
Capital assets are tangible and intangible assets, which include property, plant, and equipment, are reported in the financial statements. Capital assets are defined by the Authority as assets with an initial, individual cost of more than $5,000 (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 costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not to be capitalized.

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

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

Assets	Years
Infrastructure	5-50
Machinery and equipment	3-10
Buidings and improvements	30-50

D. Allowance for Uncollectible Accounts:
The Authority calculates its allowance for uncollectible accounts using historical collection data. At June 30, 2023, the allowance amounted to approximately $2,165,351.

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

F. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

G. Restricted Assets:
Included in restricted cash and cash equivalents are amounts held in debt service reserve accounts in the amount of $367,874.

H. Compensated Absences:
Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the statement of activities and a long-term obligation in the statement of net position. No liability is recorded for nonvesting accumulating rights to 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.

I. 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) until then. The Authority only 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 Authority has one type of item that qualifies for reporting in this category. 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.

J. Net Position:
For the Authority, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

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

Sometimes the Authority 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 Authority's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

K. Pensions:
For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Pulaski County Public Service Authority's and the deductions from the Pulaski County Public Service Authority'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 benefit terms. Investments are reported at fair value.

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

NOTE 2 – DEPOSITS AND INVESTMENTS:

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

Investments:
Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper that has received at least two of the following ratings: P-1 by Moody's Investors Service, Inc.; A-1 by Standard & Poor's; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), banker's acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP). The Authority had no investments at June 30, 2023.

NOTE 3 – DUE FROM PRIMARY GOVERNMENT:

As of June 30, 2023, the Authority had $17,078 due from the Primary Government.

NOTE 4 – CAPITAL ASSETS:

A summary of changes in capital assets for the year follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 225,354	$ 49,000	$ -	$ 274,354
Construction in progress	233,702	173,507	-	407,209
Total capital assets not being depreciated	$ 459,056	$ 222,507	$ -	$ 681,563
Capital assets, being depreciated:				
Infrastructure	$ 51,811,709	$ 1,806,683	$ -	$ 53,618,392
Buildings and improvements	711,184	-	-	711,184
Machinery and equipment	8,369,087	905,769	(57,100)	9,217,756
Total capital assets being depreciated	$ 60,891,980	$ 2,712,452	$ (57,100)	$ 63,547,332
Accumulated depreciation:				
Infrastructure	$ (29,771,221)	$ (1,230,089)	$ -	$ (31,001,310)
Buildings and improvements	(75,410)	(17,945)	-	(93,355)
Machinery and equipment	(5,165,042)	(523,055)	57,100	(5,630,997)
Total accumulated depreciation	$ (35,011,673)	$ (1,771,089)	$ 57,100	$ (36,725,662)
Total capital assets being depreciated, net	$ 25,880,307	$ 941,363	$ -	$ 26,821,670
Capital assets, net	$ 26,339,363	$ 1,163,870	$ -	$ 27,503,233

NOTE 5 – LONG-TERM OBLIGATIONS:

The following is a summary of changes in long-term obligations of the Authority for the fiscal year ended June 30, 2023:

	Beginning Balance	Issuances/ Increases	Retirements/ Decreases	Ending Balance
Direct Borrowings and Placements:				
Revenue bonds	$ 10,377,788	$ 1,330,096	$ (381,238)	$ 11,326,646
Unamortized bond premiums	22,778	-	(2,277)	20,501
Net OPEB liabilities	259,437	104,905	(115,435)	248,907
Net pension liability (A)	-	557,824	(453,016)	104,808
Compensated absences	200,942	95,631	(50,236)	246,337
Total	$ 10,860,945	$ 2,088,456	$(1,002,202)	$ 11,947,199

(A) Net pension asset as of June 30, 2022 therefore beginning balance not reported above.

NOTE 5 - LONG-TERM OBLIGATIONS: (continued)

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

	Direct Borrowings and Placements	
Year Ending	Water and Sewer Revenue Bonds	
June 30,	Principal	Interest
2024	$ 373,600	$ 318,949
2025	424,979	314,814
2026	437,350	294,544
2027	450,104	288,862
2028	463,165	273,841
2029-2033	2,389,571	1,143,306
2034-2038	1,775,025	837,045
2039-2043	1,858,728	577,536
2044-2048	1,851,753	300,035
2049-2053	892,640	73,787
2054-2058	315,541	25,495
2059-2060	94,190	1,410
Totals	$ 11,326,646	$ 4,449,624

NOTE 5 – LONG-TERM OBLIGATIONS: (continued)

Details of Long-term Obligations:

	Interest Rate(s)	Issue Date	Final Maturity Date	Amount of Original Issue	Balance	Amount Due Within One Year
Direct Borrowings and Placements:						
Rural Development (RD) Water and Sewer Revenue Bonds:						
Central Utilities	4.50%	5/11/2009	2049	$ 865,900	$ 721,834	$ 15,343
Highland Park Sewer	4.25%	11/19/2009	2050	1,187,600	997,184	21,120
Dublin Subdivisions Sewer	4.25%	11/19/2009	2050	804,400	676,091	14,303
Commerce Park Initial	2.375%	2/17/2011	2051	3,812,000	3,072,094	80,431
Commerce Park Subsequent	2.375%	2/17/2011	2051	929,000	745,686	19,823
Community Sewers #05	1.750%	11/19/2019	2060	1,249,000	1,168,874	23,130
Community Sewers #06	2.375%	11/19/2019	2060	638,000	602,082	10,489
Total RD Revenue Bonds					$ 7,983,845	$ 184,639
Other Water and Sewer Revenue Bonds:						
Claytor Lake #1 and #2	3.300%	3/5/2014	2034	$ 2,490,038	$ 1,368,801	$ 120,594
Total Other Revenue Bonds					$ 1,368,801	$ 120,594
Premium	n/a	6/30/2004	2032	$ 63,764	$ 20,501	$ 2,277
Virginia Resource Authority (VRA) Water and Sewer Revenue Bonds:						
Generator	2.00%	3/31/2016	2046	$ 220,000	$ 190,602	$ 6,615
Water Meter	2.50%	7/30/2019	2038	475,000	417,525	22,667
Raw Water Intake	2.50%	5/16/2019	2031	715,000	335,584	39,085
Intake Improvements WSL-046-18 (1)	2.50%	11/1/2022	2054	1,534,000	1,030,289	-
Total VRA Revenue Bonds					$ 1,974,000	$ 68,367
Total Direct Borrowing and Placements Revenue Bonds					$ 11,347,147	$ 375,877
Other Obligations:						
Net OPEB liabilities	n/a	n/a	n/a	n/a	$ 248,907	$ -
Compensated absences	n/a	n/a	n/a	n/a	246,337	61,584
Net pension liability	n/a	n/a	n/a	n/a	104,808	-
Total Other Obligations					$ 600,052	$ 61,584
Totals					$ 11,947,199	$ 437,461

(1) Issuance is still in the drawdown phase. Amortization information reported is based on the outstanding balance shown.

In the event of default on the rural development loans, the Lender can call the entire unpaid principal and interest amounts.

NOTE 6 – LOAN RECEIVABLE:

During 2013, the PSA entered into an agreement with Virginia's First RIFA whereby the RIFA agreed to repay the PSA for a portion of the cost of the Commerce Park water and sewer expansion project. The agreement resulted in a $2,145,000 loan payable, dated April 13, 2010, which is due to the PSA in annual installments of $55,000. The loan became due and payable upon completion of the PSA Commerce Park water and sewer expansion project on June 30, 2013. The loan is non-interest bearing; however, interest has been imputed at a rate of 2.375% based upon market conditions. The discounted value of the loan at June 30, 2023 is $1,143,391 with $27,844 included as the current portion due.

The County is responsible for 74% of the Claytor Lake #1 and #2 debt balance shown in Note 4 and, therefore, a loan receivable has been recorded for this portion of the loan. The County makes payments to the PSA in accordance with original loan's amortization schedule and terms at the percentage noted above. The balance of the loan receivable at June 30, 2023 was $977,287 with $86,104 included as the current portion due.

NOTE 7 – COMPENSATED ABSENCES:

The Authority has an accrued liability arising from outstanding compensated absences.

The Authority's employees earn vacation leave at various rates. No benefit or pay is received for unused sick leave upon termination. Accumulated vacation is paid upon termination. The Authority has outstanding accrued vacation pay totaling $246,337.

NOTE 8 – PENSION PLAN:

Plan Description

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

Benefit Structures

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

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

b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit.

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. 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. 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.

NOTE 8 – PENSION PLAN: (continued)

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

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

Contributions

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

The Pulaski County Public Service Authority's contractually required employer contribution rate for the year ended June 30, 2023 was 9.11% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Pulaski County Public Service Authority were $199,160 and $177,811 for the years ended June 30, 2023 and June 30, 2022, respectively.

Net Pension Liability (Asset)

At June 30, 2023, the Pulaski County Public Service Authority reported a liability (asset) of $104,808 for its proportionate share of the net pension liability (asset). The Pulaski County Public Service Authority's net pension liability (asset) was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The Pulaski County Public Service Authority's proportionate share of the same was calculated using creditable compensation as of June 30, 2022 and 2021 as a basis for allocation. At June 30, 2022 and 2021, the Pulaski County Public Service Authority's proportion was 13.9183% and 13.9370%, respectively.

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the Pulaski County Public Service Authority's Retirement Plan was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

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

NOTE 8 – PENSION PLAN: (continued)

Actuarial Assumptions – General Employees (continued)

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvements:

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non-10 Largest) – 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

NOTE 8 – PENSION PLAN: (continued)

Long-Term Expected Rate of Return

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

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

*The above allocation provides a one-year expected return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

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

NOTE 8 – PENSION PLAN: (continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the Pulaski County Public Service Authority 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, 2021 actuarial valuations, whichever was greater. From July 1, 2022 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Pulaski County Public Service Authority's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Pulaski County Public Service Authority's proportionate share of the County Retirement Plan Net Penstion Liability (Asset)	$ 1,316,369	$ 104,808	$ (882,148)

NOTE 8 – PENSION PLAN: (continued)

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

For the year ended June 30, 2023, the Pulaski County Public Service Authority recognized pension expense of $20,349. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2023, the Pulaski County Public Service Authority 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	$ -	$ 134,624
Change in assumptions	93,516	-
Net difference between projected and actual earnings on pension plan investments	-	275,942
Changes in proportion and differences between employer contributions and proportionate share of contributions	24,717	-
Employer contributions subsequent to the measurement date	199,160	-
Total	$ 317,393	$ 410,566

$199,160 reported as deferred outflows of resources related to pensions resulting from the Pulaski County Public Service Authority's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30	
2024	$ (83,235)
2025	(155,012)
2026	(179,862)
2027	125,776

Pension Plan Data

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

NOTE 9 – 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.

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at $8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was $8,984 as of June 30, 2023.

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2023, was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Plan from the entity were $12,816 and $11,931 for the years ended June 30, 2023 and June 30, 2022, respectively.

NOTE 9 – GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (continued)

Contributions (Continued)

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

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

At June 30, 2023, the entity reported a liability of $122,307 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2022 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the participating employer's proportion was 0.01016% as compared to 0.009380% at June 30, 2021.

For the year ended June 30, 2023, the participating employer recognized GLI OPEB expense of $7,750. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 9,684	$ 4,907
Net difference between projected and actual earnings on GLI OPEB plan investments	-	7,643
Change in assumptions	4,562	11,913
Changes in proportionate share	14,023	17
Employer contributions subsequent to the measurement date	12,816	-
Total	$ 41,085	$ 24,480

NOTE 9 – 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)

$12,816 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30		
2024	$	1,477
2025		1,191
2026		(3,199)
2027		3,409
2028		911

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

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

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

Pre-Retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 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

NOTE 9 – GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (continued)

Actuarial Assumptions: (Continued)

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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 measurement date of June 30, 2022, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

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

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

NOTE 9 – GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (continued)

Long-Term Expected Rate of Return

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

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

*The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

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

NOTE 9 – 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, 2022, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Pulaski County Public Service Authority's proporionate share of the GLI Plan Net OPEB Liability	$ 177,971	$ 122,307	$ 77,322

GLI Plan Fiduciary Net Position

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

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS – HEALTH INSURANCE:

Plan Description

The Pulaski County Public Service Authority participates in a cost-sharing defined benefit healthcare plan, the Plan. Several entities participate in the defined benefit healthcare plan through the County of Pulaski, Virginia and the participating entities report their proportionate information on the basis of a cost-sharing plan. The plan provides postemployment health insurance benefits to eligible retirees and their spouses. To be eligible, employees must meet the age and service criteria for immediate retirement benefits under VRS which requires that the employees be age 50 with 10 years of service or permanently, totally disabled and injured in the line of duty. The Plan does not issue a publicly available financial report.

Benefits Provided

Postemployment benefits are provided to eligible retirees to include healthcare and vision benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the plan.

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. Contributions to the OPEB plan from the Pulaski County Public Service Authority were $2,139 for the year ended June 30, 2023.

Actuarial Assumptions

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

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	3.69%
Healthcare Cost Trend Rate	6.75% for fiscal year end 2023, decreasing 0.25% per year to an ultimate rate of 5.00%

Mortality rates were based on the RP-2014 Fully Generational Mortality Table, with base year 2006, using two-dimensional improvement scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation are based on a measurement date of July 1, 2022 and the corresponding measurement period of July 1, 2021 to July 1, 2022. The measurement of the total OPEB liability is based on a valuation date of July 1, 2022.

Discount Rate

The discount rate has been set equal to 3.69% and represents the Municipal GO AA 20-year yield curve rate as of the measurement date.

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS – HEALTH INSURANCE: (continued)

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

The following presents the total OPEB liability of the Pulaski County Public Service Authority, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.69%) or one percentage point higher (4.69%) than the current discount rate:

Rate		
1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
$ 139,241	$ 126,600	$ 115,082

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

The following presents the total OPEB liability of the Pulaski County Public Service Authority, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current healthcare cost trend rates:

Rate		
1% Decrease	Healthcare Cost Current Rate	1% Increase
$ 111,562	$ 126,600	$ 144,280

Total OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2023, the Pulaski County Public Service Authority reported a liability of $126,600 for its proportionate share of the Total OPEB Liability. The Total OPEB Liability was measured as of July 1, 2020 and was determined by an actuarial valuation as of that date. At June 30, 2023 and 2022, the Pulaski County Public Service Authority's proportion was 2.6176% and 3.0789%, respectively.

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS – HEALTH INSURANCE: (continued)

Total OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

For the year ended June 30, 2023, the Pulaski County Public Service Authority recognized OPEB expense of $(8,100). At June 30, 2023, the Authority, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,100	$ 72,500
Change in assumptions	21,500	38,900
Employer contributions subsequent to the measurement date	2,139	-
Total	$ 27,739	$ 111,400

Amounts reported as deferred outflows or resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	
2024	$ (22,100)
2025	(22,100)
2026	(18,700)
2027	(15,700)
2028	(5,900)
Thereafter	(1,300)

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

NOTE 11 – AGGREGATE OPEB INFORMATION:

	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Group Life Insurance Plan	$ 41,085	$ 24,480	$ 122,307	$ 7,750
Stand-Alone Plan	27,739	111,400	126,600	(8,100)
Totals	$ 68,824	$ 135,880	$ 248,907	$ (350)

NOTE 12 – OTHER NONCURRENT ASSETS:

As of June 30, 2023, the Authority had the following intangible assets:

	Beginning Balance	Increases	Decreases	Ending Balance
Intangible assets:				
Organization expense	$ 21,480	$ -	$ -	$ 21,480
Accumulated amortization:				
Organization expense	$ (21,480)	$ -	$ -	$ (21,480)
Intangible assets, net	$ -	$ -	$ -	$ -

NOTE 13 – LITIGATION:

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

NOTE 14 – COMMITMENTS:

The Authority entered into an agreement with Virginia's First Regional Industrial Facility Authority (VRIFA) whereby VRIFA would pay for the engineering and installation of a sewer line which totaled $369,134. The Authority collects revenues from the use of the sewer line and based on same, remits annual payments to VRIFA to pay on the balance of costs incurred. The agreement terms coincide with the life of the sewer line which is 40 years beginning on June 30, 2007. During the year, the Authority paid VRIFA $1,931 related to the agreement. At June 30, 2023, the remaining balance owed to VRIFA totaled $313,143.

NOTE 15 – UPCOMING PRONOUNCEMENTS:

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

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

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

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

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

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

Required Supplementary Information

Exhibit 4

PULASKI COUNTY PUBLIC SERVICE AUTHORITY
(A COMPONENT UNIT OF PULASKI COUNTY, VIRGINIA)
Schedule of the Authority's Proportionate Share of the Net Pension Liability (Asset)
Pension Plan
For the Measurement Dates of June 30, 2014 through June 30, 2022

Pulaski County, Virginia's Pension Plan (a cost-sharing multiple employer plan administered by the VRS)

Date (1)	Employer's Proportion of the Net Position Liability (Asset) (NPLA) (2)	Employer's Proportionate Share of the NPLA (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the NPLA as a Percentage of Covered Payroll (3)/(4) (5)	Plan's Fiduciary Net Position as a Percentage of Total Pension Liability (Asset) (6)
2022	13.9183%	$ 104,808	$ 2,209,516	4.74%	98.86%
2021	13.9370%	(291,226)	1,939,122	-15.02%	-103.24%
2020	13.1500%	912,156	1,778,429	51.29%	88.50%
2019	13.3600%	730,945	1,680,489	43.50%	90.73%
2018	12.8998%	454,651	1,552,987	29.28%	93.59%
2017	12.9667%	575,762	1,498,406	38.42%	91.72%
2016	12.7300%	924,782	1,399,901	66.06%	86.10%
2015	13.2000%	688,791	1,380,323	49.90%	89.62%
2014	13.2000%	615,090	1,341,630	45.85%	90.36%

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

PULASKI COUNTY PUBLIC SERVICE AUTHORITY
(A COMPONENT UNIT OF PULASKI COUNTY, VIRGINIA)
Schedule of Employer Contributions
Pension Plan
Years Ended June 30, 2015 through June 30, 2023

Pulaski County, Virginia's Pension Plan (a cost-sharing multiple employer plan administered by the VRS)

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)
2023	$ 199,160	$ 199,160	$ -	$ 2,373,611	8.39%
2022	177,811	177,811	-	2,209,516	8.05%
2021	157,815	157,815	-	1,939,122	8.14%
2020	150,256	150,256	-	1,778,429	8.45%
2019	143,608	143,608	-	1,680,489	8.55%
2018	146,152	146,152	-	1,552,987	9.41%
2017	142,214	142,214	-	1,498,406	9.49%
2016	169,248	169,248	-	1,399,901	12.09%
2015	166,881	166,881	-	1,380,323	12.09%

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

Schedule is intended to show information for 10 years. Prior to 2015, information for the Authority was reported with that of the County. Therefore, additional information is not available at this time. Additional information will be presented as it becomes available.

PULASKI COUNTY PUBLIC SERVICE AUTHORITY
(A COMPONENT UNIT OF PULASKI COUNTY, VIRGINIA)
Notes to Required Supplementary Information
Pension Plan
Year Ended June 30, 2023

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

Changes of assumptions – The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

Pulaski County Public Service Authority
(A component unit of Pulaski County, Virginia)
Schedule of Authority's Share of Net OPEB Liability
Group Life Insurance (GLI) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2022

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
2022	0.010160%	$ 122,307	$ 2,209,516	5.54%	67.21%
2021	0.009380%	109,237	1,937,037	5.64%	67.45%
2020	0.008640%	144,202	1,778,429	8.11%	52.64%
2019	0.008585%	139,703	1,683,303	8.30%	52.00%
2018	0.008224%	124,870	1,552,987	8.04%	51.22%
2017	0.008026%	120,808	1,498,406	8.06%	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.

Exhibit 8

Pulaski County Public Service Authority
(A component unit of Pulaski County, Virginia)
Schedule of Employer Contributions
Group Life Insurance (GLI) Plan
Years Ended June 30, 2017 through June 30, 2023

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2023	$ 12,816	$ 12,816	$ -	$ 2,373,269	0.54%
2022	11,931	11,931	-	2,209,516	0.54%
2021	10,460	10,460	-	1,937,037	0.54%
2020	9,256	9,256	-	1,778,429	0.52%
2019	8,753	8,753	-	1,683,303	0.52%
2018	8,112	8,112	-	1,552,987	0.52%
2017	7,716	7,716	-	1,498,406	0.51%

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.

Pulaski County Public Service Authority
(A component unit of Pulaski County, Virginia)
Notes to Required Supplementary Information
Group Life Insurance (GLI) Plan
Year Ended June 30, 2023

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

Changes of assumptions - The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers - General Employees

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

Exhibit 10

Pulaski County Public Service Authority
(A component unit of Pulaski County, Virginia)
Schedule of Authority's Proportionate Share of the Net OPEB Liability (Asset)
Health Insurance
Years Ended June 30, 2018 through June 30, 2023

Date (1)	Proportion of the Net OPEB Liability (NPLA) (2)	Proportionate Share of the NOLA (3)	Covered-Employee Payroll (4)	Proportionate Share of the NOLA as a Percentage of Covered-Employee Payroll (3)/(4) (5)
2023	2.6176%	$ 126,600	$ 1,124,027	11.26%
2022	3.0789%	150,200	1,097,192	13.69%
2021	3.0831%	138,300	1,098,697	12.59%
2020	4.1991%	197,600	1,389,768	14.22%
2019	4.1400%	184,400	1,370,208	13.46%
2018	4.2400%	192,300	1,352,433	14.22%

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

Pulaski County Public Service Authority
(A component unit of Pulaski County, Virginia)
Notes to Required Supplementary Information
Health Insurance
Year Ended June 30, 2023

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

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age actuarial cost method
Discount Rate	3.69%
Inflation	2.50%
Healthcare Trend Rate	6.75% for fiscal year end 2023, decreasing 0.25% per year to an ultimate rate of 5.00%
Salary Increase Rates	2.50%
Retirement Age	The average age at retirement is 62
Mortality Rates	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021

Other Supplementary Information

PULASKI COUNTY PUBLIC SERVICE AUTHORITY
(A COMPONENT UNIT OF PULASKI COUNTY, VIRGINIA)
Comparative Schedule of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2023 (With Comparative Amounts for Year Ended June 30, 2022)

	2023	2022
Operating Revenues:		
Garbage service	$ 4,505,672	$ 5,013,055
Water service	3,552,297	3,314,425
Sewer service	1,705,573	1,359,882
Street lights	23,775	11,295
Reconnection fees	2,700	-
Penalties and interest on delinquent accounts	78,013	231,929
Miscellaneous	231,865	339,801
Total operating revenues	$ 10,099,895	$ 10,270,387
Operating Expenses:		
Water Distribution:		
Salaries	$ 191,826	$ 215,151
Fringes	71,253	56,980
Professional services	75,776	48,213
County central services	48,191	44,604
Supplies	548	450
Repair and maintenance	178,984	145,171
Machinery and equipment	1,607	1,545
Other	111,287	110,377
Depreciation	614,870	537,969
Total Water Distribution	$ 1,294,342	$ 1,160,460
Water Treatment Plant:		
Salaries	$ 502,800	$ 393,566
Fringes	124,027	109,139
Professional services	383,339	367,661
County central services	12,196	13,233
Supplies	169,344	141,127
Repair and maintenance	24,565	5,268
Other	288,700	224,473
Depreciation	222,405	127,819
Total Water Treatment Plant	$ 1,727,376	$ 1,382,286

PULASKI COUNTY PUBLIC SERVICE AUTHORITY
(A COMPONENT UNIT OF PULASKI COUNTY, VIRGINIA)
Comparative Schedule of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2023 (With Comparative Amounts for Year Ended June 30, 2022)

	2023	2022
Operating Expenses: (Continued)		
Sewer Collection and Treatment:		
Salaries	$ 138,191	$ 124,073
Fringes	59,817	52,494
Professional services	755,659	686,359
County central services	9,219	14,014
Supplies	21	37,458
Repair and maintenance	46,956	7,002
Other	112,880	66,380
Depreciation	508,092	512,733
Total Sewer Collection and Treatment	$ 1,630,835	$ 1,500,513
Refuse Collection and Disposal:		
Salaries	$ 1,601,856	$ 1,589,595
Fringes	602,486	546,267
Professional services	599,411	1,630,309
County central services	637,952	655,053
Supplies	38,471	26,103
Other	838,625	194,969
Dumpsters/containers	14,870	22,125
Depreciation	415,475	392,806
Total Refuse Collection and Disposal	$ 4,749,146	$ 5,057,227
Administration:		
Salaries	$ 359,642	$ 295,931
Fringes	135,896	99,071
Professional services	100,757	68,106
County central services	42,718	51,568
Supplies	5,479	6,108
Computer equipment	654	2,830
Other	283,257	212,521
Depreciation	10,247	30,203
Total Administration	$ 938,650	$ 766,338
Street Lighting:		
Electricity	$ 8,227	$ 10,792
Total operating expenses	$ 10,348,576	$ 9,877,616
Operating income (loss)	$ (248,681)	$ 392,771

PULASKI COUNTY PUBLIC SERVICE AUTHORITY
(A COMPONENT UNIT OF PULASKI COUNTY, VIRGINIA)
Comparative Schedule of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2023 (With Comparative Amounts for Year Ended June 30, 2022)

	2023	2022
Nonoperating Revenues (Expenses):		
Interest income on investments	$ 23,582	$ 1,343
Interest on notes receivable	41,240	43,592
Contribution to County of Pulaski	(56,330)	-
Contribution to Pulaski EDA	(6,624)	-
Grants	-	54,054
Connection fees	39,250	81,840
Interest expense	(315,833)	(313,720)
Total nonoperating revenues (expenses)	$ (274,715)	$ (132,891)
Income (loss) before capital contributions	$ (523,396)	$ 259,880
Capital Contributions:		
Grants	486,595	-
Increase (Decrease) in Net Position	(36,801)	259,880
Net Position, Beginning of Year	22,859,919	22,600,039
Net Position, End of Year	$ 22,823,118	$ 22,859,919

STATISTICAL INFORMATION

Table 1

PULASKI COUNTY PUBLIC SERVICE AUTHORITY
(A COMPONENT UNIT OF PULASKI COUNTY, VIRGINIA)
Pledged Revenue Coverage
Last Ten Fiscal Years*
(unaudited)

Water and Sewer Revenue Bonds

Fiscal Year	Operating Revenues (1)	Less: Operating expenses (2)	Net revenues available for debt service	Debt Service Principal	Debt Service Interest	Coverage
2023	$ 10,162,727	$ 8,577,487	$ 1,585,240	$ 381,238	$ 314,804	228%
2022	10,353,570	8,276,086	2,077,484	369,573	315,695	303%
2021	9,970,482	8,297,842	1,672,640	594,198	324,134	182%
2020	9,811,557	7,567,573	2,243,984	407,986	320,830	308%
2019	9,377,979	7,591,183	1,786,796	384,465	312,490	256%
2018	9,844,265	7,391,335	2,452,930	531,670	316,423	289%
2017	9,885,706	7,838,149	2,047,557	549,396	304,857	240%

(1) Operating revenues, interest and connection fees as described in Note 1.
(2) Net of depreciation and amortization.

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

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
Pulaski County Public Service Authority
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 Authorities, Boards, and Commissions,* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the business-type activities of Pulaski County Public Service Authority (the Authority), component unit of County of Pulaski, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Pulaski County Public Service Authority's basic financial statements and have issued our report thereon dated May 17, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pulaski County Public Service Authority'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pulaski County Public Service Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Pulaski County Public Service Authority'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

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, Farmer, Cox, Associates

Blacksburg, Virginia
May 17, 2024