

# COUNTY OF LUNENBURG, VIRGINIA



## ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2024



**COUNTY OF LUNENBURG, VIRGINIA**

**ANNUAL FINANCIAL REPORT**

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

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# COUNTY OF LUNENBURG, VIRGINIA

## Board of Supervisors

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Alvester Edmonds, Chair

Robert G. Zava  
Dr. Frank W. Bacon  
T. Wayne Hoover

J. Mike Hankins  
Gregory Currin  
Edward W. Pennington

## Department of Social Services

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Nancy Turner, Chair

David P. Fereday  
Gregory Currin

Jamyce Watson  
Elyssa Long

## County School Board

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Melanie Currin, Chair

Shannon Hinkle  
Doug Aubel  
Kendall Lee

Amy N. McClure  
Tony Craven  
Ruby B. Ingram

## Other Officials

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Judge of the Circuit Court .....	James William Watson Jr.
Clerk of the Circuit Court .....	Gordon F. Erby
Commonwealth's Attorney.....	Rhonda Alexander
Commissioner of the Revenue .....	Liz Y. Hamlett
Treasurer .....	Wanda Barnes
Sheriff .....	Arthur Townsend
Superintendent of Schools .....	Sharon Stanislas.
Acting Director of Social Services.....	Lisa Nagorsky
County Administrator .....	Tracy M. Gee

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ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

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**Independent Auditors' Report**

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

**Report on the Audit of the Financial Statements**

***Opinions***

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

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

***Basis for Opinions***

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

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

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

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

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

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

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

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

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

## ***Required Supplementary Information***

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

## ***Supplementary Information***

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

## ***Other Information***

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

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

## ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2024, on our consideration of County of Lunenburg, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Lunenburg, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Lunenburg, Virginia's internal control over financial reporting and compliance.



Richmond, Virginia  
November 11, 2024

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

**To the Honorable Members of the Board of Supervisors  
To the Citizens of Lunenburg County  
County of Lunenburg, Virginia**

As management of the County of Lunenburg, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2024. Please read it in conjunction with the County's basic financial statements, which follow this section.

### **Financial Highlights**

#### **Government-wide Financial Statements**

- < The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$22,284,721 (net position).
- < The combined long-term obligations decreased by \$1,952,864 during the current fiscal year.

#### **Fund Financial Statements**

The Governmental Funds, on a current financial resource basis, reported expenditures and other financing sources over revenues and other financing sources over expenditures and other financing uses of \$1,600,406 (Exhibit 5) after making contributions totaling \$4,126,497 to the School Board.

- < As of the close of the current fiscal year; the County's funds reported ending fund balances of \$14,493,551 a decrease of \$1,600,406 in comparison with the prior year.
- < At the end of the current fiscal year, unassigned fund balance for the general fund was \$11,088,628 or 71% of total general fund expenditures and other uses.

## **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements - The Government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner like a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, courts, police protection, sanitation, social services, education, cultural events, and recreation.

The Government-wide financial statements include not only the County of Lunenburg, Virginia itself (known as the primary government), but also a legally separate school district and industrial development authority for which the County of Lunenburg, Virginia is financially accountable. Financial information for the component units are reported separately from the financial information presented for the primary government itself.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Lunenburg, Virginia, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All County funds can be divided into two categories: governmental funds and fiduciary funds.



## **Overview of the Financial Statements (Continued)**

**Governmental funds** - Governmental funds are used to account for essentially the same functions or services reported as governmental activities in the government-wide financial statements. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds focus is narrower than that of the government-wide financial statements a reconciliation between the two methods is provided at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances. The County has three major governmental funds – the General Fund, the County Special Revenue Fund, the County Debt Service Fund, and the County Capital Projects Fund.

**Fiduciary funds** - The County is the trustee, or fiduciary, for the County's fiduciary funds. It is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All County fiduciary activities are reported in a separate statement of fiduciary net position. The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations. Fiduciary funds are County custodial funds used to provide accountability of client monies for which the County is custodian.

**Notes to the financial statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information** - In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information for budgetary comparison schedules and presentation of combining financial statements for the discretely presented component units - School Board and Industrial Development Authority. Neither issue separate financial statements.

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## **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets exceeded liabilities and deferred inflows of resources by \$22,284,721 at the close of the most recent fiscal year. The following table summarizes the County's Statement of Net Position:

<b>County of Lunenburg, Virginia's Net Position</b>			
	<b>Governmental Activities</b>		
	<b>2024</b>	<b>2023</b>	
Current and other assets	\$ 21,650,888	\$ 24,349,333	
Capital assets	15,059,482	13,025,741	
Total assets	\$ 36,710,370	\$ 37,375,074	
Deferred outflows of resources	\$ 461,330	\$ 490,768	
Current liabilities	\$ 2,264,893	\$ 3,919,967	
Long-term liabilities outstanding	8,079,898	10,032,762	
Total liabilities	\$ 10,344,791	\$ 13,952,729	
Deferred inflows of resources	\$ 4,542,188	\$ 4,528,325	
Net position:			
Net investment in capital assets	\$ 8,130,313	\$ 4,274,951	
Restricted	1,244,810	1,439,108	
Unrestricted	12,909,598	13,670,729	
Total net position	\$ 22,284,721	\$ 19,384,788	

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**Government-wide Financial Analysis (Continued)**

The County's net position increased by \$2,899,933 during the current fiscal year. The following table summarizes the County's Statement of Activities:

<b>County of Lunenburg, Virginia's Changes in Net Position</b>			
		<b>Governmental Activities</b>	
		<b>2024</b>	<b>2023</b>
Revenues:			
Program revenues:			
Charges for services	\$	969,496	\$ 730,633
Operating grants and contributions		6,435,155	5,595,825
Capital grants and contributions		356,873	1,783,338
General property taxes		7,394,611	7,556,288
Other local taxes		1,220,681	1,163,983
Grants and other contributions not restricted		1,238,393	1,227,711
Other general revenues		1,819,406	1,618,292
Total revenues	\$	19,434,615	\$ 19,676,070
Expenses:			
General government administration	\$	1,865,506	\$ 1,380,428
Judicial administration		1,196,984	1,160,149
Public safety		3,539,666	2,577,432
Public works		682,589	615,073
Health and welfare		3,205,087	3,659,731
Education		4,857,655	6,434,098
Community development		900,277	777,335
Interest and other fiscal charges		286,918	355,013
Total expenses	\$	16,534,682	\$ 16,959,259
Change in net position	\$	2,899,933	\$ 2,716,811
Net position, beginning of year		19,384,788	16,667,977
Net position, end of year	\$	22,284,721	\$ 19,384,788

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## **Financial Analysis of the County's Funds**

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds** - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the County's financing requirements. Particularly, unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported fund balances of \$14,493,551, a decrease of \$1,600,406 in comparison with the prior year. Approximately 67% of this total amount constitutes unassigned General Fund balance, which is available for spending at the County's discretion.

## **General Fund Budgetary Highlights**

During the year, revenues and other sources were in surplus budgetary estimates by \$1,796,569 and budgetary estimates were greater than expenditures and other uses by \$1,780,783. The resulting positive variance for change in fund balance was \$3,577,352.

## **Capital Asset and Debt Administration**

< **Capital assets** - The County's investment in capital assets for its governmental operations as of June 30, 2024 amounts to \$15,059,482 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, intangible assets, and machinery and equipment.

Additional information on the County's capital assets can be found in the notes of this report.

**Long-term debt** - At the end of the current fiscal year, the County had total debt outstanding of \$6,230,713. Of this amount, \$2,845,713 comprises debt backed by the full faith and credit of the County. The remainder of the County's debt represents bonds secured solely by specified revenue sources (i.e., lease revenue bonds).

The County's total debt decreased by \$1,749,159 during the current fiscal year.

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

### **Economic Factors and Next Year's Budgets and Rates**

< Inflationary trends in the region are comparable to national indexes.

All these factors were considered in preparing the County's budget for the 2025 fiscal year.

There was approximately 2.8% increase in the overall FY25 operating budget compared to FY24 and all tax rates remained the same as in 2024.

### **Requests for Information**

This financial report is designed to provide a general overview of the County of Lunenburg, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, 11413 Courthouse Road, Lunenburg, Virginia 23952.

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## *BASIC FINANCIAL STATEMENTS*

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*GOVERNMENT-WIDE FINANCIAL STATEMENTS*

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

	Primary Government Governmental		Component Units	
	<u>Activities</u>		<u>School Board</u>	<u>IDA</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 14,564,895	\$ 1,182,489	\$ 462,818	
Investments	1,362,036	-	-	
Inventory	-	-	80,000	
Receivables (net of allowance for uncollectibles):				
Taxes receivable	4,330,428	-	-	
Accounts receivable	442,665	3,595	-	
Due from other governmental units	950,864	2,542,661	-	
Net pension asset	-	517,262	-	
Capital assets (net of accumulated depreciation):				
Land	276,151	37,807	-	
Buildings and improvements	7,092,448	360,393	-	
Intangible	-	-	-	
Machinery and equipment	4,845,169	5,009,745	-	
Jointly owned assets	2,845,714	5,476,128	-	
Construction in progress	-	369,591	-	
Total assets	<u>\$ 36,710,370</u>	<u>\$ 15,499,671</u>	<u>\$ 542,818</u>	
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related items	\$ 401,863	\$ 3,872,620	\$ -	
OPEB related items	59,467	533,969	-	
Total deferred outflow of resources	<u>\$ 461,330</u>	<u>\$ 4,406,589</u>	<u>\$ -</u>	
<b>LIABILITIES</b>				
Accounts payable	\$ 438,140	\$ 2,610,679	\$ -	
Accrued liabilities	494,865	-	-	
Accrued interest payable	66,129	-	-	
Due to other funds	592,640	-	-	
Unearned revenue	673,119	-	-	
Long-term liabilities:				
Due within one year	792,977	-	-	
Due in more than one year	7,286,921	13,649,918	-	
Total liabilities	<u>\$ 10,344,791</u>	<u>\$ 16,260,597</u>	<u>\$ -</u>	
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue - property taxes	\$ 4,280,643	\$ -	\$ -	
Pension related items	235,244	1,389,054	-	
OPEB related items	26,301	540,382	-	
Total deferred inflows of resources	<u>\$ 4,542,188</u>	<u>\$ 1,929,436</u>	<u>\$ -</u>	
<b>NET POSITION</b>				
Net investment in capital assets	\$ 8,130,313	\$ 11,253,664	\$ -	
Restricted				
School construction	1,190,641	-	-	
Opioid settlement	54,169	-	-	
Pension plan	-	517,262	-	
Unrestricted (deficit)	12,909,598	(10,054,699)	542,818	
Total net position	<u>\$ 22,284,721</u>	<u>\$ 1,716,227</u>	<u>\$ 542,818</u>	

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

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary			
					Government	Component Units		
					Governmental Activities	School Board	IDA	
<b>PRIMARY GOVERNMENT:</b>								
Governmental activities:								
General government administration	\$ 1,865,506	\$ -	\$ 1,257,358	\$ -	\$ (608,148)	\$ -	\$ -	
Judicial administration	1,196,984	30,012	703,485	-	(463,487)	-	-	
Public safety	3,539,666	152,576	1,925,862	331,873	(1,129,355)	-	-	
Public works	682,589	784,631	-	-	102,042	-	-	
Health and welfare	3,205,087	-	2,379,996	-	(825,091)	-	-	
Education	4,857,655	-	143,421	-	(4,714,234)	-	-	
Community development	900,277	2,277	33,192	25,000	(839,808)	-	-	
Interest on long-term debt	286,918	-	-	-	(286,918)	-	-	
Total governmental activities	\$ 16,534,682	\$ 969,496	\$ 6,443,314	\$ 356,873	\$ (8,764,999)	\$ -	\$ -	
Total primary government	\$ 16,534,682	\$ 969,496	\$ 6,443,314	\$ 356,873	\$ (8,764,999)	\$ -	\$ -	
<b>COMPONENT UNITS:</b>								
School Board	\$ 26,167,133	\$ 567,662	\$ 21,728,398	\$ -	\$ -	\$ (3,871,073)	\$ -	
IDA	1,457	-	-	-	-	-	(1,457)	
Total component units	\$ 26,168,590	\$ 567,662	\$ 21,728,398	\$ -	\$ -	\$ (3,871,073)	\$ (1,457)	
General revenues:								
General property taxes					\$ 7,394,611	\$ -	\$ -	
Local sales and use taxes					689,123	-	-	
Motor vehicle licenses					219,192	-	-	
Utility taxes					180,760	-	-	
Other local taxes					131,606	-	-	
Unrestricted revenues from use of money and property					473,003	14,027	1,766	
Miscellaneous					1,346,403	334,066	-	
Grants and contributions not restricted to specific programs					1,230,234	-	-	
Contribution from Lunenburg County					-	4,649,842	-	
Total general revenues					\$ 11,664,932	\$ 4,997,935	\$ 1,766	
Change in net position					\$ 2,899,933	\$ 1,126,862	\$ 309	
Net position - beginning					19,384,788	589,365	542,509	
Net position - ending					\$ 22,284,721	\$ 1,716,227	\$ 542,818	

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

## *FUND FINANCIAL STATEMENTS*

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

	<u>General</u>	<u>County Special Revenue</u>	<u>County Debt Service</u>	<u>County Capital Projects</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 12,277,033	\$ 1,118,716	\$ -	\$ 1,169,146	\$ 14,564,895
Investments	1,270,605	-	-	91,431	1,362,036
Receivables (net of allowance for uncollectibles):					
Taxes receivable	4,330,428	-	-	-	4,330,428
Accounts receivable	442,606	59	-	-	442,665
Due from other governmental units	950,864	-	-	-	950,864
Total assets	<u>\$ 19,271,536</u>	<u>\$ 1,118,775</u>	<u>\$ -</u>	<u>\$ 1,260,577</u>	<u>\$ 21,650,888</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 231,976	\$ 136,228	\$ -	69,936	\$ 438,140
Accrued liabilities	494,865	-	-	-	494,865
Due to component unit	592,640	-	-	-	592,640
Unearned revenue	673,119	-	-	-	673,119
Total liabilities	<u>\$ 1,992,600</u>	<u>\$ 136,228</u>	<u>\$ -</u>	<u>\$ 69,936</u>	<u>\$ 2,198,764</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	\$ 4,814,376	\$ -	\$ -	\$ -	\$ 4,814,376
Unavailable revenue - opioid settlement	144,197	-	-	-	144,197
Total deferred inflows of resources	<u>\$ 4,958,573</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,958,573</u>
<b>FUND BALANCES</b>					
Restricted	\$ 54,169	\$ -	\$ -	\$ 1,190,641	\$ 1,244,810
Committed	733,622	982,547	-	-	1,716,169
Assigned	443,944	-	-	-	443,944
Unassigned	11,088,628	-	-	-	11,088,628
Total fund balances	<u>\$ 12,320,363</u>	<u>\$ 982,547</u>	<u>\$ -</u>	<u>\$ 1,190,641</u>	<u>\$ 14,493,551</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 19,271,536</u>	<u>\$ 1,118,775</u>	<u>\$ -</u>	<u>\$ 1,260,577</u>	<u>\$ 21,650,888</u>

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

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

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds \$ 14,493,551

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

Capital assets, cost	\$ 27,649,015	
Accumulated depreciation	<u>(12,589,533)</u>	15,059,482

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

Unavailable revenue - property taxes	\$ 533,733	
Unavailable revenue - opioid settlement	<u>144,197</u>	677,930

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

Pension related items	\$ 401,863	
OPEB related items	<u>59,467</u>	461,330

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

Lease revenue bond	\$ (3,385,000)	
General obligation bonds	(2,845,713)	
Bond premium	(698,456)	
Compensated absences	(224,990)	
Net pension liability	(769,828)	
Net OPEB liability	(155,911)	
Accrued interest payable	<u>(66,129)</u>	(8,146,027)

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

Pension related items	\$ (235,244)	
OPEB related items	<u>(26,301)</u>	(261,545)

Net position of governmental activities	<u><u>\$ 22,284,721</u></u>
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The notes to the financial statements are an integral part of this statement.



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

	<u>General</u>	<u>County Special Revenue</u>	<u>County Debt Service</u>	<u>County Capital Projects</u>	<u>Total</u>
<b>REVENUES</b>					
General property taxes	\$ 7,397,409	\$ -	\$ -	\$ -	\$ 7,397,409
Other local taxes	1,220,681	-	-	-	1,220,681
Permits, privilege fees, and regulatory licenses	122,101	-	-	-	122,101
Fines and forfeitures	29,214	-	-	-	29,214
Revenue from the use of money and property	483,282	2,981	-	(13,260)	473,003
Charges for services	817,233	948	-	-	818,181
Miscellaneous	120,824	1,200,023	-	-	1,320,847
Recovered costs	14,668	-	-	-	14,668
Intergovernmental:					
Commonwealth	4,963,898	946,296	-	-	5,910,194
Federal	1,975,487	-	143,421	-	2,118,908
Total revenues	<u>\$ 17,144,797</u>	<u>\$ 2,150,248</u>	<u>\$ 143,421</u>	<u>\$ (13,260)</u>	<u>\$ 19,425,206</u>
<b>EXPENDITURES</b>					
Current:					
General government administration	\$ 1,921,803	\$ -	\$ -	\$ -	\$ 1,921,803
Judicial administration	1,063,718	523	-	-	1,064,241
Public safety	3,720,780	5,354	-	-	3,726,134
Public works	654,090	-	-	-	654,090
Health and welfare	3,327,681	-	-	-	3,327,681
Education	4,126,497	-	-	-	4,126,497
Community development	497,265	1,385,994	-	-	1,883,259
Capital projects	368,775	-	-	1,799,498	2,168,273
Debt service:					
Principal retirement	-	-	1,749,159	-	1,749,159
Interest and other fiscal charges	-	-	404,475	-	404,475
Total expenditures	<u>\$ 15,680,609</u>	<u>\$ 1,391,871</u>	<u>\$ 2,153,634</u>	<u>\$ 1,799,498</u>	<u>\$ 21,025,612</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,464,188</u>	<u>\$ 758,377</u>	<u>\$ (2,010,213)</u>	<u>\$ (1,812,758)</u>	<u>\$ (1,600,406)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$ -	\$ 92,437	\$ 1,610,213	-	\$ 1,702,650
Transfers out	(1,477,148)	-	-	(225,502)	(1,702,650)
Total other financing sources (uses)	<u>\$ (1,477,148)</u>	<u>\$ 92,437</u>	<u>\$ 1,610,213</u>	<u>\$ (225,502)</u>	<u>\$ -</u>
Net change in fund balances	\$ (12,960)	\$ 850,814	\$ (400,000)	\$ (2,038,260)	\$ (1,600,406)
Fund balances - beginning	12,333,323	131,733	400,000	3,228,901	16,093,957
Fund balances - ending	<u>\$ 12,320,363</u>	<u>\$ 982,547</u>	<u>\$ -</u>	<u>\$ 1,190,641</u>	<u>\$ 14,493,551</u>

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

County of Lunenburg, 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

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

Net change in fund balances - total governmental funds \$ (1,600,406)

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

Capital asset additions	\$ 3,417,789	
Transfer of joint tenancy assets	(523,345)	
Depreciation expense	<u>(860,703)</u>	2,033,741

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

Property taxes	\$ (2,798)	
Opioid settlement	<u>25,556</u>	22,758

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

Principal retirement on lease revenue bonds	\$ 1,018,000	
Principal retirement on general obligation bonds	<u>731,159</u>	1,749,159

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.

(Increase) decrease in accrued interest payable	\$ 45,095	
Amortization of bond issuance premium	72,462	
Change in pension related items	523,798	
Change in OPEB related items	9,817	
(Increase) decrease in compensated absences	<u>43,509</u>	694,681

Change in net position of governmental activities		<u><u>\$ 2,899,933</u></u>
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The notes to the financial statements are an integral part of this statement.

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

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	<b>Custodial Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 28,122
<b>NET POSITION</b>	
Individuals	\$ 2,208
Others	25,914
Total net position	\$ 28,122

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

## County of Lunenburg, Virginia

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

	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Miscellaneous	\$ <u>6,189</u>
Total additions	\$ <u>6,189</u>
<b>DEDUCTIONS</b>	
Recipient payments	\$ <u>12,232</u>
Total deductions	\$ <u>12,232</u>
Net increase (decrease) in fiduciary net position	\$ (6,043)
Net position - beginning	<u>34,165</u>
Net position - ending	<u><u>28,122</u></u>

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

## COUNTY OF LUNENBURG, VIRGINIA

### Notes to Financial Statements

As of June 30, 2024

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#### **Note 1—Summary of Significant Accounting Policies:**

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

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

#### **Government-wide and Fund Financial Statements**

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

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

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

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

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

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

## COUNTY OF LUNENBURG, VIRGINIA

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

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

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**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.

#### **A. Financial Reporting Entity**

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

#### **B. Individual Component Unit Disclosures**

**Blended Component Units.** The County has no blended component units on June 30, 2024.

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

The Industrial Development Authority of Lunenburg County is responsible for industrial and commercial development in the County. The Authority consists of five members appointed by the Board of Supervisors. The Authority is fiscally dependent on the County, and therefore, it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2024. The Industrial Development Authority of Lunenburg County does not issue a separate financial report.

#### **C. Other Related Organizations**

##### **Jointly Governed Organizations**

The County, in conjunction with other localities, has created the Crossroads Community Services Board. The governing body of this organization is appointed by the respective governing bodies of the participating jurisdictions. During the year, the County contributed \$57,637 to the Crossroads Community Services Board.

Complete financial statements of the jointly governed organizations may be obtained by contacting the County of Lunenburg, Virginia, Office of the Administrator, 11413 Courthouse Road, Lunenburg, VA 23952.

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

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**D. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

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

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

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

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

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

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

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real estate and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 60 days after year-end are reflected as unavailable revenues. Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the state or utility, which is generally within two months preceding receipt by the County.

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

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

**1. Governmental Funds**

Governmental Funds are those through which most governmental functions typically are financed. The County reports the General Fund, County Special Revenue Fund, County Debt Service Fund, and County Capital Projects fund as major governmental funds.

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

Special Revenue Fund - The County Special Revenue Fund accounts for and reports the proceeds of specific revenue sources that are restricted, committed or assigned to expenditure for specified purposes other than debt service or capital projects.

Debt Service Fund - The County Debt Service Fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should also be used to report financial resources being accumulated for future debt service.

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



## COUNTY OF LUNENBURG, VIRGINIA

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

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

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#### **D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)**

2. Fiduciary Funds (Trust and Custodial Funds) - account for assets held by the County in a trustee capacity or as a custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds. These funds utilize the accrual basis of accounting described in the Governmental Fund Presentation. Fiduciary funds are not included in the government-wide financial statements. The County reports the following Fiduciary Funds: Special Welfare and Cell Tower Escrow.

3. Component Unit

The Lunenburg County School Board has the following funds:

Governmental Fund:

School Operating Fund - This fund is the primary operating fund of the School Board and accounts for all revenues and expenditures applicable to the general operations of the public school system. Revenues are derived primarily from charges for services, appropriations from the County of Lunenburg School Board and state and federal grants. The School Operating Fund is considered a major fund of the School Board for financial reporting purposes.

Special Revenue Fund:

School Cafeteria Fund - This fund is the operating fund of the school cafeteria and accounts for all revenues and expenditures applicable to the general operations of the school nutrition system. Revenues are derived primarily from charges for services and state and federal grants. The School Cafeteria Fund is considered a major fund of the School Board for financial reporting purposes.

School Activity Fund:

School Activity - This fund includes all funds received from extracurricular school activities, such as entertainment, athletic contests, club dues, fundraisers, etc., and from all activities of the school involving personnel, students, or property. The School Activity Fund is considered a major fund of the School Board for financial reporting purposes.

#### **E. Cash and Cash Equivalents**

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

#### **F. Investments**

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

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

**F. Investments (Continued)**

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

**G. Receivables and Payables**

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

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to \$274,081 on June 30, 2024 and is comprised solely of property taxes.

**Real and Personal Property Tax Data:**

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

	<u>Real Property</u>	<u>Personal Property</u>
Levy	January 1	January 1
Due Date	June 5/December 5 (50% each date)	June 5/December 5 (50% each date)
Lien Date	January 1	January 1

The County bills and collects its own property taxes.

**H. Capital Assets**

Capital assets are tangible and intangible assets, which include property, plant, equipment, lease, subscription, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the County and Component Unit School Board as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. For infrastructure asset the same estimated minimum useful life is used (in excess of two years), but only those infrastructure projects that cost more than \$50,000 are reported as capital assets.

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

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

**H. Capital Assets (Continued)**

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

<u>Assets</u>	<u>Years</u>
Building improvements	40
Furniture, Vehicles, Office and Computer Equipment	5-20
Buses	10

**I. 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 expenses in the Statement of Activities and long-term obligations in the Statement of Net Position. 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 is estimated will be taken as “terminal leave” prior to retirement.

**J. Use of Estimates**

The preparation of financial statements in conformity with U.S. 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.

**K. Net Position**

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

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

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

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**K. Net Position (Continued)**

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

**L. 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 future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category. It is comprised of certain items related to pension and OPEB. For more detailed information, reference the related notes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has 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.

**M. Fund Balance**

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

- Nonspendable fund balance - amounts that are either not in spendable form (such as inventory and prepaids) or are legally or contractually required to be maintained intact (corpus of a permanent fund).
- Restricted fund balance - amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers.
- Committed fund balance - amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the Board of Supervisors prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Board adopts another ordinance to remove or revise the limitation.

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

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**M. Fund Balance (Continued)**

- Assigned fund balance - amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

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

Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. This is typically done through adoption and amendment of the budget. A fund balance commitment, which does not lapse at year end, 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 Board of Supervisors 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).

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COUNTY OF LUNENBURG, VIRGINIA

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

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

**M. Fund Balance (Continued)**

The details of governmental fund balances, as presented in aggregate on Exhibit 3, are as follows:

		Major Special Revenue Fund	Major Debt Service Fund	Major Capital Projects Fund	
	General Fund	County Special Revenue Fund	County Debt Service Fund	County Capital Projects	Total
<b>Fund Balances:</b>					
<b>Restricted:</b>					
School construction	\$ -	\$ -	\$ -	\$ 1,190,641	\$ 1,190,641
Opioid settlement	54,169	-	-	-	54,169
<b>Total Restricted Fund Balance</b>	<u>\$ 54,169</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,190,641</u>	<u>\$ 1,244,810</u>
<b>Committed:</b>					
Landfill	\$ 370,112	\$ -	\$ -	\$ -	\$ 370,112
Project lifesaver	-	2,087	-	-	2,087
Law library	-	26,385	-	-	26,385
Forfeited assets	-	36,428	-	-	36,428
Airport	-	(678)	-	-	(678)
Land sale unclaimed funds	195,317	-	-	-	195,317
E-911	168,193	-	-	-	168,193
Economic Development	-	918,325	-	-	918,325
<b>Total Committed</b>	<u>\$ 733,622</u>	<u>\$ 982,547</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,716,169</u>
<b>Assigned:</b>					
Emergency Services	\$ 443,944	\$ -	\$ -	\$ -	\$ 443,944
<b>Total Assigned</b>	<u>\$ 443,944</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 443,944</u>
<b>Unassigned</b>	<u>\$ 11,088,628</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,088,628</u>
<b>Total Fund Balances</b>	<u>\$ 12,320,363</u>	<u>\$ 982,547</u>	<u>\$ -</u>	<u>\$ 1,190,641</u>	<u>\$ 14,493,551</u>

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## COUNTY OF LUNENBURG, VIRGINIA

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

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

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#### **N. Pensions**

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

#### **O. Other Postemployment Benefits (OPEB)**

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

#### **P. Long-term Obligations**

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. 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 and premiums on issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

#### **Q. Inventory**

Inventory in the Component Unit - Industrial Development Authority consists of land held for resale.

### **Note 2—Stewardship, Compliance, and Accounting:**

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

1. On or before March 30<sup>th</sup>, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the fund level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.

## COUNTY OF LUNENBURG, VIRGINIA

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

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### **Note 2—Stewardship, Compliance, and Accounting: (Continued)**

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5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, Special Revenue Fund, and the County Capital Projects Funds of the primary government and the School Operating Fund and School Special Revenue Funds of the School Board.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. All appropriations expire as of June 30 each year.
8. All budgetary data presented in the accompanying financial statements is the original budget at June 30. Several supplemental appropriations were necessary during the year and at year end because they were not included in the original budget.
9. Expenditures and Appropriations  
Expenditures did not exceed appropriations in any fund on June 30, 2024.

### **Note 3—Deposits and Investments:**

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#### **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 more than 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).

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COUNTY OF LUNENBURG, VIRGINIA

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

**Note 3—Deposits and Investments: (Continued)**

**Credit Risk of Debt Securities**

The County's rated debt investments as of June 30, 2024 were rated by Standard & Poor's and the ratings are presented below using the Standard & Poor's rating scale.

Rated Debt Investments	Fair Quality Ratings		
	AAA	AAAm	AA+
State Non-Arbitrage Program (SNAP)	\$ -	\$ 91,431	\$ -
U.S. Agency Securities	-	-	1,149,891
Total	\$ -	\$ 91,431	\$ 1,149,891

**Interest Rate Risk**

Investment Maturities (in years)			
Investment Type	Fair Value	Less Than	
		1 Year	1-5 Years
State Non-Arbitrage Program (SNAP)	\$ 91,431	\$ 91,431	\$ -
U.S. Agency Securities	1,149,891	-	1,149,891
Total	\$ 1,241,322	\$ 91,431	\$ 1,149,891

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# COUNTY OF LUNENBURG, VIRGINIA

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

## **Note 4—Due to/from Other Governments:**

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

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Other Local Governments:		
Lunenburg County	\$ -	\$ 592,640
Commonwealth of Virginia:		
Local sales tax	122,257	-
Welfare	47,477	-
Rolling stock tax	4,490	-
Mobile home titling tax	225	-
State sales tax	-	375,933
E911 grant	8,881	-
Constitutional officer reimbursements	142,116	-
Victim witness grant	4,861	-
Auto rental tax	300	-
Four-for-Life grant	12,157	-
Children's services act	308,180	-
PSAP grant	99	-
School resource officer	13,416	-
Communications tax	21,165	-
Mental health	-	260,190
Security grant	-	151,114
Federal Government:		
School funds grants	-	1,162,784
Emergency preparedness	34,981	-
Homeland security	-	-
Sheriff ARPA grant	139,980	-
Tourism ARPA grant	13,245	-
Welfare	67,236	-
Transportation safety	-	-
Crime victim assistance	9,798	-
Total due from other governments	\$ <u>950,864</u>	\$ <u>2,542,661</u>

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

Other Local Governments:		
County of Lunenburg School Board	\$ <u>592,640</u>	\$ -
Total due to other governments	\$ <u>592,640</u>	\$ -

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# COUNTY OF LUNENBURG, VIRGINIA

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

### **Note 5—Capital Assets:**

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

#### **Primary Government:**

	<u>Balance July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2024</u>
<b>Governmental activities:</b>				
Capital assets not subject to depreciation:				
Land	\$ 276,151	\$ -	\$ -	\$ 276,151
Construction in progress	<u>2,308,878</u>	<u>2,919,726</u>	<u>5,228,604</u>	<u>-</u>
Total capital assets not subject to depreciation	\$ <u>2,585,029</u>	\$ <u>2,919,726</u>	\$ <u>5,228,604</u>	\$ <u>276,151</u>
Capital assets subject to depreciation:				
Buildings and improvements	\$ 11,324,649	\$ 1,006,286	\$ -	\$ 12,330,935
Machinery and equipment	3,304,604	4,720,381	49,875	7,975,110
Intangible	159,950	-	-	159,950
Jointly owned assets	<u>8,177,088</u>	<u>-</u>	<u>1,270,219</u>	<u>6,906,869</u>
Total capital assets subject to depreciation	\$ <u>22,966,291</u>	\$ <u>5,726,667</u>	\$ <u>1,320,094</u>	\$ <u>27,372,864</u>
Accumulated depreciation:				
Buildings and improvements	\$ 4,913,158	\$ 325,329	\$ -	\$ 5,238,487
Machinery and equipment	2,868,250	311,566	49,875	3,129,941
Intangible	143,955	15,995	-	159,950
Jointly owned assets	<u>4,600,216</u>	<u>207,813</u>	<u>746,874</u>	<u>4,061,155</u>
Total accumulated depreciation	\$ <u>12,525,579</u>	\$ <u>860,703</u>	\$ <u>796,749</u>	\$ <u>12,589,533</u>
Total capital assets being depreciated, net	\$ <u>10,440,712</u>	\$ <u>4,865,964</u>	\$ <u>523,345</u>	\$ <u>14,783,331</u>
Governmental activities capital assets, net	\$ <u>13,025,741</u>	\$ <u>7,785,690</u>	\$ <u>5,751,949</u>	\$ <u>15,059,482</u>

#### **Component Unit - School Board:**

	<u>Balance July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2024</u>
Capital assets not subject to depreciation:				
Land	\$ 37,807	\$ -	\$ -	\$ 37,807
Construction in progress	<u>194,992</u>	<u>297,859</u>	<u>123,260</u>	<u>369,591</u>
Total capital assets not subject to depreciation	\$ <u>232,799</u>	\$ <u>297,859</u>	\$ <u>123,260</u>	\$ <u>407,398</u>
Capital assets subject to depreciation:				
Buildings and improvements	\$ 560,323	\$ 52,165	\$ -	\$ 612,488
Machinery and equipment	7,964,199	1,141,356	38,400	9,067,155
Jointly owned assets	<u>12,020,968</u>	<u>-</u>	<u>(1,270,219)</u>	<u>13,291,187</u>
Total capital assets subject to depreciation	\$ <u>20,545,490</u>	\$ <u>1,193,521</u>	\$ <u>(1,231,819)</u>	\$ <u>22,970,830</u>
Accumulated depreciation:				
Buildings and improvements	\$ 179,377	\$ 72,718	\$ -	\$ 252,095
Machinery and equipment	3,326,765	769,045	38,400	4,057,410
Jointly owned assets	<u>6,762,683</u>	<u>305,502</u>	<u>(746,874)</u>	<u>7,815,059</u>
Total accumulated depreciation	\$ <u>10,268,825</u>	\$ <u>1,147,265</u>	\$ <u>(708,474)</u>	\$ <u>12,124,564</u>
Total capital assets being depreciated, net	\$ <u>10,276,665</u>	\$ <u>46,256</u>	\$ <u>(523,345)</u>	\$ <u>10,846,266</u>
Component Unit - School Board capital assets, net	\$ <u>10,509,464</u>	\$ <u>344,115</u>	\$ <u>(400,085)</u>	\$ <u>11,253,664</u>

COUNTY OF LUNENBURG, VIRGINIA

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

***Note 5—Capital Assets: (Continued)***

Depreciation expense was charged to functions/programs as follows:

Governmental activities:

General government administration	\$	80,174
Judicial administration		225,991
Public safety		260,908
Public works		36,950
Health and welfare		16,981
Education		207,813
Community development		31,886
Total Governmental activities	\$	<u>860,703</u>
Component Unit School Board	\$	<u>1,147,265</u>

***Note 6—Interfund Transfers:***

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General	\$ -	\$ 1,477,148
County special revenue	92,437	-
County debt service fund	1,610,213	-
County capital projects	-	225,502
Total Primary Government	\$ <u>1,702,650</u>	\$ <u>1,702,650</u>

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

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# COUNTY OF LUNENBURG, VIRGINIA

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

## Note 7—Long-Term Obligations:

### Primary Government:

The following is a summary of changes in long-term obligations for the fiscal year ended June 30, 2024:

	Balance at July 1, 2023	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2024	Amounts Due Within One Year
Governmental Activities Obligations:					
Incurred by County:					
Compensated absences	\$ 268,499	\$ 13,341	\$ 56,850	\$ 224,990	\$ 22,499
Net pension liability	871,510	1,300,252	1,401,934	769,828	-
Net OPEB liability	141,963	87,093	73,145	155,911	-
Direct Borrowings and Direct Placements:					
Lease revenue bonds	4,403,000	-	1,018,000	3,385,000	20,000
Issuance premium	563,055	-	37,537	525,518	-
Total incurred by County	\$ 6,248,027	\$ 1,400,686	\$ 2,587,466	\$ 5,061,247	\$ 42,499
Incurred by School Board:					
Direct Borrowings and Direct Placements:					
General obligation bonds	\$ 3,576,872	\$ -	\$ 731,159	\$ 2,845,713	\$ 750,478
Issuance premium	207,863	-	34,925	172,938	-
Total incurred by School Board	\$ 3,784,735	\$ -	\$ 766,084	\$ 3,018,651	\$ 750,478
Total Governmental Activities Obligations	\$ 10,032,762	\$ 1,400,686	\$ 3,353,550	\$ 8,079,898	\$ 792,977

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

Year Ending June 30	County Obligations	
	Direct Borrowings and Direct Placements	
	Lease Revenue Bond	
	Principal	Interest
2025	\$ 20,000	\$ 127,850
2026	20,000	126,825
2027	25,000	125,672
2028	80,000	122,981
2029	80,000	118,881
2030-2034	1,715,000	410,747
2034-2037	1,445,000	51,644
Total	\$ 3,385,000	\$ 1,084,600

COUNTY OF LUNENBURG, VIRGINIA

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

**Note 7—Long-Term Obligations: (Continued)**

**Primary Government: (Continued)**

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

Year Ending June 30	Direct Borrowings and Direct Placements Incurred by School Board			
	General Obligation Bonds			
	Principal		Interest	
2025	\$	750,478	\$	225,895
2026		770,235		198,790
2027		410,000		179,923
2028		335,000		106,672
2029		350,000		95,184
2030-2033		230,000		178,500
Total	\$	2,845,713	\$	984,964

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# COUNTY OF LUNENBURG, VIRGINIA

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

### Note 7—Long-Term Obligations: (Continued)

#### Primary Government: (Continued)

Details of long-term indebtedness are as follows:

	Notes	Interest Rates	Date Issued	Final Maturity Date	Amount of Original Issue	Balance Governmental Activities	Amount Due Within One Year
<b>Incurring by the County:</b>							
Compensated absences (payable from the General Fund)						\$ 224,990	\$ 22,499
Net OPEB liability (payable from the General Fund)						\$ 155,911	\$ -
Net pension liability (payable from the General Fund)						\$ 769,828	\$ -
Direct borrowings and direct placements:							
<u>Lease Revenue Bonds:</u>							
Virginia Resource Authority Lease Revenue Bond, plus unamortized premium of \$525,518	(a)	2.212% - 5.125%	11/17/2021	10/1/2036	3,425,000	\$ 3,910,518	\$ 20,000
Total long-term obligations incurred by the County						\$ 5,061,247	\$ 42,499
<b>Incurring by the School Board:</b>							
Direct borrowings and direct placements:							
<u>General Obligation Bonds:</u>							
VPSA Bond Outstanding, plus unamortized premium of \$2,531	(a)	4.25%	7/8/2010	6/1/2027	\$ 1,175,000	\$ 257,531	\$ 85,000
VPSA Bond Outstanding	(a)	4.25%	12/15/2012	12/1/2030	2,100,000	805,000	115,000
VPSA Bond Outstanding	(a)	4.60% - 5.10%	10/25/2005	1/15/2026	5,856,256	730,713	360,478
VPSA Bond Outstanding, plus unamortized premium of \$170,407	(a)	5.05%	11/10/2020	7/15/2028	1,550,000	1,225,407	190,000
Total General Obligation and Lease Revenue Bonds						\$ 3,018,651	\$ 750,478
Total Direct Borrowings and Direct Placements						\$ 3,018,651	\$ 750,478
Total long-term obligations incurred by School Board, payable from the General Fund						\$ 3,018,651	\$ 750,478
Total outstanding debt - governmental activities						\$ 8,079,898	\$ 792,977

(a) No other terms specified in the debt agreement

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# COUNTY OF LUNENBURG, VIRGINIA

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

## **Note 7—Long-Term Obligations: (Continued)**

### Component Unit-School Board:

	Balance at July 1, 2023	Increases	Decreases	Balance at June 30, 2024	Amounts Due Within One Year
Component Unit-School Board:					
Net pension liability	\$ 9,842,395	\$ 5,681,739	\$ 4,667,985	\$ 10,856,149	\$ -
Net OPEB liabilities	2,797,262	700,496	703,989	2,793,769	-
Total Component Unit-School Board	\$ 12,639,657	\$ 6,382,235	\$ 5,371,974	\$ 13,649,918	\$ -

## **Note 8—Unearned and Deferred/Unavailable Revenue:**

Unearned and 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. The County reports deferred revenue and unavailable revenue totaling \$4,280,643 and \$4,985,573, respectively, on June 30, 2024 which is comprised of the following:

	Government-wide Statements Governmental Activities	Balance Sheet Governmental Funds
Deferred/Unavailable revenue:		
Unearned revenue represening the amount of unspent ARPA grant	\$ 673,119	\$ 673,119
Total unearned revenue	\$ 673,119	\$ 673,119
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 533,733
2nd half assessment - property tax	3,475,258	3,475,258
Prepaid property taxes due in December but paid in advance by taxpayers	805,385	805,385
Unavailable opioid settlement revenue that is not available for funding of current expenditures	-	144,197
Total unavailable revenue	\$ 4,280,643	\$ 4,958,573



## COUNTY OF LUNENBURG, VIRGINIA

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

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### ***Note 9—Commitments and Contingent Liabilities:***

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Federal programs in which the County and its discretely presented component units participate were audited in accordance with the provisions of the Title 2 U. S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements.

While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

Piedmont Juvenile Detention Center Commission entered into a master equipment financed purchase on January 13, 2023 with Signature Public Funding Corporation to lease energy efficient equipment. The County of Lunenburg is a member of the Commission, along with the Counties of Amelia, Buckingham, Cumberland, Nottoway, and Prince Edward. The County of Lunenburg has committed to making annual contributions to the Piedmont Juvenile Detention Center in the amount of \$42,214 through January 9, 2038 to assist with payments associated with the master equipment financed purchase.

### ***Note 10—Litigation:***

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On June 30, 2024, there were no matters of litigation involving the County or its component units which would materially affect the County's financial position should any court decisions on pending matters not be favorable to the County.

### ***Note 11—Risk Management:***

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The County and its component units are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates with other Virginia localities in public entity risk pools for the provision of insurance coverage. The County receives workers' compensation, liability, and property loss coverage through the Virginia Association of Counties Group Self Insurance Risk Pool. The School Board receives its workers' compensation coverage from the School Systems of Virginia and all other coverage from commercial carriers. The County pays an annual premium to the pool for insurance through member premiums. There have been no reductions in any insurance coverage from the previous year and settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

### ***Note 12—Pension Plans:***

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#### ***Plan Description***

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

***Note 12—Pension Plans: (Continued)***

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***Benefit Structures***

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

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees 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 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.

## COUNTY OF LUNENBURG, VIRGINIA

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

### ***Note 12—Pension Plans: (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.

#### ***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>	<b>Component Unit School Board nonprofessional</b>
Inactive members or their beneficiaries currently receiving benefits	62	28
Inactive members:		
Vested inactive members	13	6
Non-vested inactive members	31	10
Inactive members active elsewhere in VRS	36	8
Active members	57	28
Total covered employees	199	80

#### ***Contributions***

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

The County's contractually required employer contribution rate for the year ended June 30, 2024 was 12.71% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$399,727 and \$373,084 for the years ended June 30, 2024 and June 30, 2023, respectively.

**Note 12—Pension Plans: (Continued)**

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**Contributions (Continued)**

The Component Unit School Board’s contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2024 was 0.00% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board’s nonprofessional employees were \$0 and \$0 for the years ended June 30, 2024 and June 30, 2023, respectively.

**Net Pension Liability (Asset)**

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

**Actuarial Assumptions - General Employees**

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

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

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## COUNTY OF LUNENBURG, VIRGINIA

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

### **Note 12—Pension Plans: (Continued)**

#### **Actuarial Assumptions - General Employees (Continued)**

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

Rates projected generationally with Modified MP-2021 Improvement Scale that is 75% of the MP-2021 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) - Non-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

**Note 12—Pension Plans: (Continued)**

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

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County’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-2021 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-2021 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-2021 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

**Beneficiaries and Survivors:**

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2021 Improvement Scale; 110% of rates for males and females set forward 2 years

**Mortality Improvement:**

Rates projected generationally with Modified MP-2021 Improvement Scale that is 75% of the MP-2021 rates

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## COUNTY OF LUNENBURG, VIRGINIA

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

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### ***Note 12—Pension Plans: (Continued)***

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

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

All Others (Non-10 Largest) - 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

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# COUNTY OF LUNENBURG, VIRGINIA

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

## Note 12—Pension Plans: (Continued)

### Long-Term Expected Rate of Return

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

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

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

\*\*On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 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%.

### Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2023, the



COUNTY OF LUNENBURG, VIRGINIA

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

**Note 12—Pension Plans: (Continued)**

**Discount Rate (Continued)**

alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2022 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2023, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 112% of the actuarially determined contribution rate. From July 1, 2023 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in Net Pension Liability**

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2022	\$ 14,720,627	\$ 13,849,117	\$ 871,510
Changes for the year:			
Service cost	\$ 301,912	\$ -	\$ 301,912
Interest	985,473	-	985,473
Differences between expected and actual experience	3,977	-	3,977
Contributions - employer	-	373,066	(373,066)
Contributions - employee	-	142,505	(142,505)
Net investment income	-	886,007	(886,007)
Benefit payments, including refunds	(845,879)	(845,879)	-
Administrative expenses	-	(8,890)	8,890
Other changes	-	356	(356)
Net changes	\$ 445,483	\$ 547,165	\$ (101,682)
Balances at June 30, 2023	\$ 15,166,110	\$ 14,396,282	\$ 769,828

COUNTY OF LUNENBURG, VIRGINIA

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

**Note 12—Pension Plans: (Continued)**

**Changes in Net Pension Liability (Asset)**

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 3,014,988	\$ 3,448,774	\$ (433,786)
Changes for the year:			
Service cost	\$ 50,396	\$ -	\$ 50,396
Interest	201,126	-	201,126
Differences between expected and actual experience	(87,907)	-	(87,907)
Contributions - employer	-	-	-
Contributions - employee	-	31,035	(31,035)
Net investment income	-	218,220	(218,220)
Benefit payments, including refunds	(171,469)	(171,469)	-
Administrative expenses	-	(2,246)	2,246
Other changes	-	82	(82)
Net changes	\$ (7,854)	\$ 75,622	\$ (83,476)
Balances at June 30, 2023	\$ 3,007,134	\$ 3,524,396	\$ (517,262)

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County			
Net Pension Liability (Asset)	\$ 2,506,090	\$ 769,828	\$ (676,446)
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	\$ (155,682)	\$ (517,262)	\$ (807,183)

COUNTY OF LUNENBURG, VIRGINIA

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

**Note 12—Pension Plans: (Continued)**

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

For the year ended June 30, 2024, the County and Component Unit School Board (nonprofessional) recognized pension expense of (\$124,089) and (\$50,625), respectively. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

On June 30, 2024, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (Nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,136	\$ 11,148	\$ 1,716	\$ 49,351
Changes of assumptions	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	224,096	-	56,978
Employer contributions subsequent to the measurement date	399,727	-	-	-
Total	\$ 401,863	\$ 235,244	\$ 1,716	\$ 106,329

\$399,727 and \$0 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year fiscal ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2025	\$ (169,279)	\$ (77,310)
2026	(270,227)	(79,017)
2027	198,922	49,763
2028	7,476	1,951
2029	-	-
Thereafter	-	-

***Note 12—Pension Plans: (Continued)***

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***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.

**Component Unit School Board (professional)**

***Plan Description***

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

***Contributions***

The requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted because of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each School Division's contractually required employer contribution rate for the year ended June 30, 2024 was 16.62% of covered employee compensation. This was the General Assembly approved rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$1,738,406 and \$1,695,523 for the years ended June 30, 2024 and June 30, 2023, respectively.

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

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

On June 30, 2024, the school division reported a liability of \$10,856,149 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2023, the school division's proportion was .10317% as compared to .10710% on June 30, 2022.

**COUNTY OF LUNENBURG, VIRGINIA**

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

***Note 12—Pension Plans: (Continued)*****Component Unit School Board (professional) (Continued)*****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)***

For the year ended June 30, 2024, the school division recognized pension expense of \$1,354,336. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience \$	932,552	\$ 423,653
Changes of assumptions	492,147	-
Net difference between projected and actual earnings on pension plan investments	-	705,869
Changes in proportion and differences between employer contributions and proportionate share of contributions	707,799	153,203
Employer contributions subsequent to the measurement date	1,738,406	-
Total	<u>\$ 3,870,904</u>	<u>\$ 1,282,725</u>

\$1,738,406 reported as deferred outflows of resources related to pensions resulting from the school division's contributions after 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:

<b><u>Year ended June 30</u></b>	
2025	\$ 46,911
2026	(499,308)
2027	1,023,584
2028	278,586
2029	-

***Note 12—Pension Plans: (Continued)***

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**Component Unit School Board (professional) (Continued)**

***Actuarial Assumptions***

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

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

**Mortality rates:**

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

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

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

Beneficiaries and Survivors:  
Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:  
Rates projected generationally with Modified MP-2021 Improvement Scale that is 75% of the standard rates

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**Note 12—Pension Plans: (Continued)**

**Component Unit School Board (professional) (Continued)**

**Actuarial Assumptions (Continued)**

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

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

**Net Pension Liability**

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

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

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

# COUNTY OF LUNENBURG, VIRGINIA

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

## Note 12—Pension Plans: (Continued)

### Component Unit School Board (professional) (Continued)

#### *Net Pension Liability (Continued)*

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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School Board's proportionate share of the VRS Teacher Employee Retirement Plan			
Net Pension Liability (Asset) \$	19,244,079 \$	10,856,149 \$	3,960,580

#### *Pension Plan Fiduciary Net Position*

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

### Primary Government and Component Unit School Board

#### *Aggregate Pension Information*

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:								
Primary Government	\$ 401,863	\$ 235,244	\$ 769,828	\$ (124,089)	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	1,716	106,329	(517,262)	(50,625)
School Board Professional	-	-	-	-	3,870,904	1,282,725	10,856,149	1,354,336
Totals	<u>\$ 401,863</u>	<u>\$ 235,244</u>	<u>\$ 769,828</u>	<u>\$ (124,089)</u>	<u>\$ 3,872,620</u>	<u>\$ 1,389,054</u>	<u>\$ 10,338,887</u>	<u>\$ 1,303,711</u>



## COUNTY OF LUNENBURG, VIRGINIA

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

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

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#### ***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 program, 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 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 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 Group Life Insurance Plan from the County were \$17,898 and \$16,535 for the years ended June 30, 2024 and June 30, 2023, respectively.

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

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***Contributions (Continued)***

Contributions to the Group Life Insurance Plan from the Component Unit School Board professional group were \$59,613 and \$57,674 for the years ended June 30, 2024 and June 30, 2023, respectively. Contributions to the Group Life Insurance Plan from the Component Unit School Board nonprofessional group were \$4,542 and \$3,857 for the years ended June 30, 2024 and June 30, 2023, respectively.

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

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

On June 30, 2024, the County reported a liability of \$155,911 for its proportionate share of the Net GLI OPEB Liability. The Component Unit School Board professional and nonprofessional groups reported liabilities of \$543,769 and \$36,339, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2023, the County's proportion was .01300% as compared to .01180% on June 30, 2022. On June 30, 2023, the Component Unit School Board professional and nonprofessional groups' proportion was .04534% and .04395%, respectively as compared to .00303% and .00312% respectively at June 30, 2022.

For the year ended June 30, 2024, the County recognized GLI OPEB expense of \$9,402. For the year ended June 30, 2024, the Component Unit School Board professional group recognized GLI OPEB expense of \$28,360. For the year ended June 30, 2024, the Component Unit School Board nonprofessional group recognized GLI OPEB expense of \$824. 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.

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COUNTY OF LUNENBURG, VIRGINIA

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

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

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

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

	Primary Government		Component School Board (professional)		Component School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,572	\$ 4,733	\$ 54,309	\$ 16,506	\$ 3,629	\$ 1,103
Net difference between projected and actual earnings on GLI OPEB plan investments	-	6,265	-	21,852	-	1,460
Changes of assumptions	3,333	10,802	11,623	37,674	777	2,518
Changes in proportionate share	22,664	4,501	39,233	7,279	109	3,097
Employer contributions subsequent to the measurement date	17,898	-	59,613	-	4,542	-
Total	\$ 59,467	\$ 26,301	\$ 164,778	\$ 83,311	\$ 9,057	\$ 8,178

\$17,898, \$59,613, and \$4,542, respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the County, Component Unit School Board professional and nonprofessional group's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit School Board (professional)	Component Unit School Board (nonprofessional)
2025	\$ 2,603	\$ 6,057	(1,069)
2026	(2,106)	(13,225)	(2,198)
2027	6,037	13,874	(76)
2028	4,674	6,865	(491)
2029	4,060	8,283	171
Thereafter	-	-	-

**Note 13—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:	
Teachers	3.50%-5.95%
Locality - General employees	3.50%-5.35%
Locality - Hazardous Duty employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

**Mortality Rates - Teachers**

- Pre-Retirement:
  - Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males
- Post-Retirement:
  - Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females
- Post-Disablement:
  - Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females
- Beneficiaries and Survivors:
  - Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally
- Mortality Improvement Scale:
  - Rates projected generationally with Modified MP-2021 Improvement Scale that is 75% of the MP-2021 rates

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## COUNTY OF LUNENBURG, VIRGINIA

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

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

#### ***Actuarial Assumptions: (Continued)***

##### **Mortality Rates - Teachers (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 because of the experience study and VRS Board action are as follows:

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

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

###### **Pre-Retirement:**

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

###### **Post-Retirement:**

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

###### **Post-Disablement:**

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

###### **Beneficiaries and Survivors:**

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

###### **Mortality Improvement Scale:**

Rates projected generationally with Modified MP-2021 Improvement Scale that is 75% of the MP-2021 rates

## COUNTY OF LUNENBURG, VIRGINIA

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

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

#### ***Actuarial Assumptions: (Continued)***

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

The actuarial assumptions used in the June 30, 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 because 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-
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
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-2021 Improvement Scale that is 75% of the MP-2021 rates

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

**Actuarial Assumptions: (Continued)**

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

The actuarial assumptions used in the June 30, 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 because 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 is as follows (amounts expressed in thousands):

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

COUNTY OF LUNENBURG, VIRGINIA

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

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

**NET GLI OPEB Liability (Continued)**

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.

**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:

<b>Asset Class (Strategy)</b>	<b>Long-Term Target Asset Allocation</b>	<b>Arithmetic Long-term Expected Rate of Return</b>	<b>Weighted Average Long-term Expected Rate of Return*</b>
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%.



## COUNTY OF LUNENBURG, VIRGINIA

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

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

#### **Discount Rate**

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

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

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

		Rate		
		1% Decrease	Current Discount	1% Increase
		(5.75%)	(6.75%)	(7.75%)
County's proportionate share of the GLI Plan				
Net OPEB Liability	\$	231,108	\$ 155,911	\$ 95,113
Component School Board (professional)'s proportionate share of the GLI Plan				
Net OPEB Liability	\$	806,035	\$ 543,769	\$ 331,725
Component School Board (nonprofessional)'s proportionate share of the GLI Plan				
Net OPEB Liability	\$	53,866	\$ 36,339	\$ 22,169

#### **GLI Plan Fiduciary Net Position**

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

***Note 14—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan):***

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***Plan Description***

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

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

***Eligible Employees***

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

***Benefit Amounts***

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

***HIC Plan Notes***

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

***Contributions***

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted because of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2024 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$133,578 and \$129,232 for the years ended June 30, 2024 and June 30, 2023, respectively.

# COUNTY OF LUNENBURG, VIRGINIA

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

## ***Note 14—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)***

### ***Contributions (Continued)***

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

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

At June 30, 2024, the school division reported a liability of \$1,297,549 for its proportionate share of the VRS Teacher Employee HIC Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2023 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2023, the school division's proportion of the VRS Teacher Employee HIC was .10710% as compared to .10256% on June 30, 2022.

For the year ended June 30, 2024, the school division recognized VRS Teacher Employee HIC OPEB expense of \$100,882. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 57,112
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	651	-
Changes of assumptions	30,205	1,308
Changes in proportionate share and differences between actual and expected contributions	109,341	32,306
Employer contributions subsequent to the measurement date	133,578	-
Total	<u>\$ 273,775</u>	<u>\$ 90,726</u>

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

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

\$133,578 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2025	\$ 1,606
2026	13,483
2027	16,961
2028	5,996
2029	6,113
Thereafter	5,312

***Actuarial Assumptions***

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

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

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COUNTY OF LUNENBURG, VIRGINIA

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

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

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**Mortality Rates - Teachers**

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2021 Improvement Scale that is 75% of the MP-2021 rates

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

**Actuarial Assumptions (Continued)**

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

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

**Net Teacher Employee HIC OPEB Liability**

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

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

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

# COUNTY OF LUNENBURG, VIRGINIA

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

## **Note 14—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

### **Long-Term Expected Rate of Return**

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

<b>Asset Class (Strategy)</b>	<b>Long-Term Target Asset Allocation</b>	<b>Arithmetic Long-term Expected Rate of Return</b>	<b>Weighted Average Long-term Expected Rate of Return*</b>
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%
<b>Total</b>	<b>100.00%</b>		<b>5.75%</b>
		<b>Inflation</b>	<b>2.50%</b>
		<b>Expected arithmetic nominal return**</b>	<b>8.25%</b>

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

\*\*On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which was roughly at the 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%.

### **Discount Rate**

The discount rate used to measure the total Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2023, the rate contributed by each school division for the VRS Teacher Employee HIC Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2023 on, all agencies are assumed to continue to contribute 100% of the actuarially determined

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

**Discount Rate (Continued)**

contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

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

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

		Rate		
		1% Decrease	Current Discount	1% Increase
		(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan				
Net HIC OPEB Liability	\$	1,467,673	\$ 1,297,549	\$ 1,153,384

**Teacher Employee HIC OPEB Fiduciary Net Position**

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

**Note 15—Health Insurance Credit (HIC) Plan (OPEB Plan):**

**Plan Description**

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



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

**Plan Description (Continued)**

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

**Eligible Employees**

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

**Benefit Amounts**

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

**HIC Plan Notes**

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

**Employees Covered by Benefit Terms**

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

	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	5
Vested inactive members	5
Active members	36
Total covered employees	46

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

**Contributions**

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The School Board’s contractually required employer contribution rate for the year ended June 30, 2024 was 1.18% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Board to the HIC Plan were \$9,926 and \$8,428 for the years ended June 30, 2024 and June 30, 2023, respectively.

**Net HIC OPEB Liability**

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

**Actuarial Assumptions**

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

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

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

- Pre-Retirement:
  - Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years
- Post-Retirement:
  - Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
- Post-Disablement:
  - Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years
- Beneficiaries and Survivors:
  - Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years
- Mortality Improvement Scale:
  - Rates projected generationally with Modified MP-2021 Improvement Scale that is 75% of the MP-2021 rates

## COUNTY OF LUNENBURG, VIRGINIA

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

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### ***Note 15—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)***

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

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

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

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# COUNTY OF LUNENBURG, VIRGINIA

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

## **Note 15—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

### **Long-Term Expected Rate of Return**

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

<b>Asset Class (Strategy)</b>	<b>Long-term Target Asset Allocation</b>	<b>Arithmetic Long-term Expected Rate of Return</b>	<b>Weighted Average Long-term Expected Rate of Return*</b>
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%
<b>Total</b>	<b>100.00%</b>		<b>5.75%</b>
		<b>Inflation</b>	<b>2.50%</b>
		<b>Expected arithmetic nominal return**</b>	<b>8.25%</b>

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

\*\* On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 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%.

COUNTY OF LUNENBURG, VIRGINIA

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

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

**Discount Rate**

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

**Changes in Net HIC OPEB Liability**

	Component School Board (Nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 112,704	\$ 11,957	\$ 100,747
Changes for the year:			
Service cost	\$ 575	\$ -	\$ 575
Interest	7,554	-	7,554
Differences between expected and actual experience	(52,253)	-	(52,253)
Contributions - employer	-	8,428	(8,428)
Net investment income	-	982	(982)
Benefit payments	(2,736)	(2,736)	-
Administrative expenses	-	(28)	28
Net changes	\$ (46,860)	\$ 6,646	\$ (53,506)
Balances at June 30, 2023	\$ 65,844	\$ 18,603	\$ 47,241

COUNTY OF LUNENBURG, VIRGINIA

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

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

**Sensitivity of the County and School Board's HIC Net OPEB Liability (Asset) to Changes in the Discount Rate**

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the Nonprofessional Employee HIC OPEB Plan			
Net HIC OPEB Liability	\$ 54,735	\$ 47,241	\$ 40,923

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

For the year ended June 30, 2024, the School Board recognized HIC Plan OPEB expense of (\$4,376). At June 30, 2024, the School Board reported deferred outflows of resources and deferred inflows of resources related to the County and School Board's HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1	\$ 42,815
Changes of assumptions	8,399	-
Net difference between projected and actual earnings on pension plan investments	203	-
Employer contributions subsequent to the measurement date	9,926	-
Total	\$ 18,529	\$ 42,815

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

**HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB (Continued)**

\$9,926 reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board’s contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2025	\$ (11,535)
2026	(11,902)
2027	(10,779)
2028	4
2029	-
Thereafter	-

**Health Insurance Credit Program Plan Data**

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

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

**School Board**

**Plan Description**

In addition to the pension benefits described in Note 12, the Component Unit School Board administers a single-employer defined benefit healthcare plan, The Lunenburg County Public Schools Postretirement Benefits Plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the School Board’s pension plans. The plan does not issue a publicly available financial report.

**Benefits Provided**

Postemployment benefits that are provided to eligible School Board retirees include medical and dental insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses, and dependents of eligible retirees. All permanent employees of the School Board who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits. Retirees and spouses that became eligible for Medicare are no longer eligible to participate in the Mathews County Public School’s retiree medical plan. Retirees are responsible for 100% of the premiums.

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

**School Board: (Continued)**

**Plan Membership**

On January 1, 2023 (valuation date), the following employees were covered by the benefit terms:

	Component Unit School Board
Total active employees with coverage	228
Total retirees with coverage	3
Total	231

**Contributions**

The School Board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the School Board. The amount paid by the School Board for OPEB as the benefits came due during the year ended June 30, 2024 was \$29,618.

**Total OPEB Liability**

The School Board’s total OPEB liability was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	From 3.50% - 5.35% per year depending on years of service
Discount Rate	3.93% as of June 30, 2024; 3.65% as of June 30, 2023
Healthcare Trend Rate	5.8% to 4.00% over 51 years

Mortality rates for the School Board were based on the following actuarial assumptions:

Pre-Commencement: RP-2000 Employee Mortality Tables projected to 2023 using Scale AA with Males set forward 2 years and Females set back 3 years

Post-CommencementRP-2000 Combined Healthy Mortality tables projected to 2023 using Scale AA with Females set back 1 year

Post-Disablement: RP-2000 Disabled Life mortality tables with Males set back 3 years and no provision for future mortality improvement.



COUNTY OF LUNENBURG, VIRGINIA

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

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

**School Board: (Continued)**

**Discount Rate**

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is based on the Bond Buyer General Obligation 20 - Bond Municipal Index.

**Changes in Total OPEB Liability**

	Component Unit School Board Total OPEB Liability
Balance at June 30, 2023	\$ 848,845
Changes for the year:	
Service cost	\$ 35,915
Interest	31,758
Changes in assumptions	(18,029)
Benefit payments	(29,618)
Net changes	\$ 20,026
Balance at June 30, 2024	\$ 868,871

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

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

	Rate		
	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Component Unit School Board:			
Total OPEB liability	\$ 934,528	\$ 868,871	\$ 806,907

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

**School Board: (Continued)**

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

The following presents the total OPEB liability of the School Board, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (4.8% decreasing to 3.00% over 52 years) or one percentage point higher (6.80% decreasing to 5.00% over 52 years) than the current healthcare cost trend rates:

	Rates		
	1% Decrease (4.80% decreasing to 3.00%)	Healthcare Cost Trend (5.80% decreasing to 4.00%)	1% Increase (6.80% decreasing to 5.00%)
Component Unit School Board:			
Total OPEB liability	\$ 773,428	\$ 868,871	\$ 979,673

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

For the year ended June 30, 2024, the School Board recognized OPEB expense in the amount of \$33,456. On June 30, 2024, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Component Unit School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 247,580
Changes in assumptions	67,830	67,772
Total	\$ 67,830	\$ 315,352

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## COUNTY OF LUNENBURG, VIRGINIA

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

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

#### School Board: (Continued)

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

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

<u>Year Ended June 30</u>	<u>Component Unit School Board</u>
2025	\$ (55,516)
2026	(76,825)
2027	(76,825)
2028	(34,954)
2029	(3,402)
Thereafter	-

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

### Note 17—Surety Bonds:

The following surety bonds covered constitutional officers and County employees on June 30, 2024:

	<u>Amount</u>
Division of Risk Management Surety Bond:	
Commonwealth Funds	
Gordon F. Erby, Clerk of the Circuit Court	\$ 150,000
Wanda Barnes, Treasurer	400,000
Liz Y. Hamlett, Commissioner of the Revenue	3,000
Arthur Townsend, Sheriff	30,000
VACo Risk Management Programs:	
Kristin Peebles, Clerk of the School Board	10,000
Lucy Hall, Deputy Clerk of the Board	10,000
Sharon Stanislas, School Superintendent	10,000
All School Board Employees-blanket bond	2,500
Western Surety Company:	
Lisa Nagorsky, Acting Director of Social Services	100,000
VA Risk Pool:	
All Social Services Employees-Blanket Bond	1,000,000

**Note 18—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 County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The County maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1. Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at a measurement date
- Level 2. Directly or indirectly observable inputs for the asset or liability other than quoted prices
- Level 3. Unobservable inputs that are supported by little or no market activity for the asset or liability

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk.

The County has the following recurring fair value measurements as of June 30, 2024:

Investment type	Balance June 30, 2024	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Primary Government				
Debt Securities:				
U.S. Agency Securities	\$ 1,149,891	\$ 1,149,891	\$ -	\$ -
	\$ 1,149,891	\$ 1,149,891	\$ -	\$ -

**Note 19-Line of Duty Act (LODA) (OPEB Benefits):**

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

# COUNTY OF LUNENBURG, VIRGINIA

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

## **Note 19—Line of Duty Act (LODA) (OPEB Benefits): (Continued)**

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

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The County's LODA coverage is fully covered or "insured" through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The County's LODA premium for the year ended June 30, 2024 was \$24,199.

## **Note 20—Summary of Other Postemployment Benefit Plans:**

### **Aggregate OPEB Information**

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:								
Group Life Insurance Plan (Note 13):								
County	\$ 59,467	\$ 26,301	\$ 155,911	\$ 9,402	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	9,057	8,178	36,339	824
School Board Professional	-	-	-	-	164,778	83,311	543,769	28,360
Teacher Health Insurance Credit Plan (Note 14)	-	-	-	-	273,775	90,726	1,297,549	100,882
Nonprofessional Health Insurance Credit Plan (Note 15)	-	-	-	-	18,529	42,815	47,241	(4,376)
School Stand-Alone Plan (Note 16)	-	-	-	-	67,830	315,352	868,871	33,456
Totals	\$ 59,467	\$ 26,301	\$ 155,911	\$ 9,402	\$ 533,969	\$ 540,382	\$ 2,793,769	\$ 159,146

## **Note 21—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.

## COUNTY OF LUNENBURG, VIRGINIA

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

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### ***Note 22—Arbitrage Liability***

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The County is subject to federal arbitrage regulations as stipulated under Section 148 of the Internal Revenue Code, which requires issuers of tax-exempt debt to rebate to the U.S. Treasury any excess earnings on investment proceeds above the bond yield (arbitrage). Arbitrage liability arises when investment returns from tax-exempt bond proceeds exceed the allowable bond yield, creating a liability to remit excess earnings to the U.S. Treasury.

As of June 30, 2024, the County has accrued a liability for arbitrage rebate in the amount of \$69,936. This liability reflects the estimated excess investment earnings on outstanding tax-exempt debt based on current calculations and is included in accounts payables.

*REQUIRED SUPPLEMENTARY INFORMATION*

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

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
<b>REVENUES</b>				
General property taxes	\$ 7,175,000	\$ 7,250,000	\$ 7,397,409	\$ 147,409
Other local taxes	1,014,000	1,014,000	1,220,681	206,681
Permits, privilege fees, and regulatory licenses	159,000	159,000	122,101	(36,899)
Fines and forfeitures	6,500	6,500	29,214	22,714
Revenue from the use of money and property	53,700	53,700	483,282	429,582
Charges for services	547,600	547,600	817,233	269,633
Miscellaneous	75,000	75,000	120,824	45,824
Recovered costs	5,000	5,000	14,668	9,668
Intergovernmental:				
Commonwealth	4,820,300	5,011,228	4,963,898	(47,330)
Federal	1,201,200	1,226,200	1,975,487	749,287
Total revenues	<u>\$ 15,057,300</u>	<u>\$ 15,348,228</u>	<u>\$ 17,144,797</u>	<u>\$ 1,796,569</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 1,734,020	\$ 1,790,888	\$ 1,921,803	\$ (130,915)
Judicial administration	983,150	1,148,434	1,063,718	84,716
Public safety	3,865,090	3,985,734	3,720,780	264,954
Public works	683,000	683,000	654,090	28,910
Health and welfare	3,334,750	3,571,947	3,327,681	244,266
Education	5,124,729	5,124,729	4,126,497	998,232
Community development	541,660	541,660	497,265	44,395
Capital projects	615,000	615,000	368,775	246,225
Total expenditures	<u>\$ 16,881,399</u>	<u>\$ 17,461,392</u>	<u>\$ 15,680,609</u>	<u>\$ 1,780,783</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,824,099)</u>	<u>\$ (2,113,164)</u>	<u>\$ 1,464,188</u>	<u>\$ 3,577,352</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	\$ (1,581,100)	\$ (2,096,100)	\$ (1,477,148)	\$ 618,952
Total other financing sources (uses)	<u>\$ (1,581,100)</u>	<u>\$ (2,096,100)</u>	<u>\$ (1,477,148)</u>	<u>\$ 618,952</u>
Net change in fund balances	\$ (3,405,199)	\$ (4,209,264)	\$ (12,960)	\$ 4,196,304
Fund balances - beginning	3,405,199	4,209,264	12,333,323	8,124,059
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,320,363</u>	<u>\$ 12,320,363</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 2,600	\$ 2,600	\$ 2,981	\$ 381
Charges for services	1,000	1,000	948	(52)
Miscellaneous	1,598,800	1,598,800	1,200,023	(398,777)
Intergovernmental:				
Commonwealth	872,700	872,700	946,296	73,596
Total revenues	<u>\$ 2,475,100</u>	<u>\$ 2,475,100</u>	<u>\$ 2,150,248</u>	<u>\$ (324,852)</u>
<b>EXPENDITURES</b>				
Current:				
Judicial administration	\$ 1,000	\$ 1,000	\$ 523	\$ 477
Public safety	800	6,300	5,354	946
Community development	2,450,400	2,449,900	1,385,994	1,063,906
Total expenditures	<u>\$ 2,452,200</u>	<u>\$ 2,457,200</u>	<u>\$ 1,391,871</u>	<u>\$ 1,065,329</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 22,900</u>	<u>\$ 17,900</u>	<u>\$ 758,377</u>	<u>\$ 740,477</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 77,100	\$ 77,100	\$ 92,437	\$ 15,337
Transfers out	(100,000)	(100,000)	-	100,000
Total other financing sources (uses)	<u>\$ (22,900)</u>	<u>\$ (22,900)</u>	<u>\$ 92,437</u>	<u>\$ 115,337</u>
Net change in fund balances	\$ -	\$ (5,000)	\$ 850,814	\$ 855,814
Fund balances - beginning	-	-	131,733	131,733
Fund balances - ending	<u>\$ -</u>	<u>\$ (5,000)</u>	<u>\$ 982,547</u>	<u>\$ 987,547</u>

County of Lunenburg, Virginia

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

Primary Government

For the Measurement Dates of June 30, 2014 through June 30, 2023

	2023	2022	2021
<b>Total pension liability</b>			
Service cost	\$ 301,912	\$ 257,112	\$ 261,465
Interest	985,473	985,056	933,546
Differences between expected and actual experience	3,977	(457,088)	(286,989)
Changes of assumptions	-	-	392,874
Benefit payments	(845,879)	(801,541)	(788,244)
<b>Net change in total pension liability</b>	<b>\$ 445,483</b>	<b>\$ (16,461)</b>	<b>\$ 512,652</b>
<b>Total pension liability - beginning</b>	<b>14,720,627</b>	<b>14,737,088</b>	<b>14,224,436</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 15,166,110</b>	<b>\$ 14,720,627</b>	<b>\$ 14,737,088</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 373,066	\$ 330,006	\$ 294,701
Contributions - employee	142,505	122,702	109,245
Net investment income	886,007	(9,708)	3,110,108
Benefit payments	(845,879)	(801,541)	(788,244)
Administrator charges	(8,890)	(8,870)	(7,898)
Other	356	325	292
<b>Net change in plan fiduciary net position</b>	<b>\$ 547,165</b>	<b>\$ (367,086)</b>	<b>\$ 2,718,204</b>
<b>Plan fiduciary net position - beginning</b>	<b>13,849,117</b>	<b>14,216,203</b>	<b>11,497,999</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 14,396,282</b>	<b>\$ 13,849,117</b>	<b>\$ 14,216,203</b>
<b>County's net pension liability - ending (a) - (b)</b>	<b>\$ 769,828</b>	<b>\$ 871,510</b>	<b>\$ 520,885</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>94.92%</b>	<b>94.08%</b>	<b>96.47%</b>
<b>Covered payroll</b>	<b>\$ 3,062,075</b>	<b>\$ 2,565,264</b>	<b>\$ 2,283,839</b>
<b>County's net pension liability as a percentage of covered payroll</b>	<b>25.14%</b>	<b>33.97%</b>	<b>22.81%</b>

	2020		2019		2018		2017		2016		2015		2014
\$	264,784	\$	235,665	\$	233,959	\$	248,894	\$	254,636	\$	253,424	\$	260,971
	893,972		865,998		863,622		847,873		827,318		796,712		773,018
	192,243		150,972		(367,253)		(74,609)		(37,291)		81,002		-
	-		342,586		-		(46,162)		-		-		-
	(741,177)		(704,025)		(688,743)		(813,271)		(688,771)		(699,037)		(691,966)
\$	609,822	\$	891,196	\$	41,585	\$	162,725	\$	355,892	\$	432,101	\$	342,023
	13,614,614		12,723,418		12,681,833		12,519,108		12,163,216		11,731,115		11,389,092
\$	14,224,436	\$	13,614,614	\$	12,723,418	\$	12,681,833	\$	12,519,108	\$	12,163,216	\$	11,731,115
\$	259,410	\$	237,526	\$	268,987	\$	276,270	\$	326,381	\$	328,483	\$	198,923
	115,712		106,233		103,367		106,205		117,177		108,843		101,935
	221,069		739,071		791,790		1,203,146		170,601		449,389		1,385,508
	(741,177)		(704,025)		(688,743)		(813,271)		(688,771)		(699,037)		(691,966)
	(7,674)		(7,525)		(6,955)		(7,228)		(6,342)		(6,324)		(7,725)
	(259)		(465)		(700)		(1,057)		(74)		(96)		73
\$	(152,919)	\$	370,815	\$	467,746	\$	764,065	\$	(81,028)	\$	181,258	\$	986,748
	11,650,918		11,280,103		10,812,357		10,048,292		10,129,320		9,948,062		8,961,314
\$	11,497,999	\$	11,650,918	\$	11,280,103	\$	10,812,357	\$	10,048,292	\$	10,129,320	\$	9,948,062
\$	2,726,437	\$	1,963,696	\$	1,443,315	\$	1,869,476	\$	2,470,816	\$	2,033,896	\$	1,783,053
	80.83%		85.58%		88.66%		85.26%		80.26%		83.28%		84.80%
\$	2,380,671	\$	2,171,165	\$	2,114,684	\$	2,165,063	\$	2,176,040	\$	2,138,151	\$	2,061,828
	114.52%		90.44%		68.25%		86.35%		113.55%		95.12%		86.48%

County of Lunenburg, Virginia

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

	2023	2022	2021
<b>Total pension liability</b>			
Service cost	\$ 50,396	\$ 49,034	\$ 56,912
Interest	201,126	194,883	178,383
Differences between expected and actual experience	(87,907)	6,352	8,543
Changes of assumptions	-	-	91,535
Benefit payments	(171,469)	(146,792)	(133,151)
<b>Net change in total pension liability</b>	<b>\$ (7,854)</b>	<b>\$ 103,477</b>	<b>\$ 202,222</b>
<b>Total pension liability - beginning</b>	<b>3,014,988</b>	<b>2,911,511</b>	<b>2,709,289</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 3,007,134</b>	<b>\$ 3,014,988</b>	<b>\$ 2,911,511</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ -	\$ 3,780	\$ 4,750
Contributions - employee	31,035	29,515	30,669
Net investment income	218,220	(2,217)	781,309
Benefit payments	(171,469)	(146,792)	(133,151)
Administrator charges	(2,246)	(2,243)	(1,988)
Other	82	81	73
<b>Net change in plan fiduciary net position</b>	<b>\$ 75,622</b>	<b>\$ (117,876)</b>	<b>\$ 681,662</b>
<b>Plan fiduciary net position - beginning</b>	<b>3,448,774</b>	<b>3,566,650</b>	<b>2,884,988</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 3,524,396</b>	<b>\$ 3,448,774</b>	<b>\$ 3,566,650</b>
<b>School Board's net pension liability (asset) - ending (a) - (b)</b>	<b>\$ (517,262)</b>	<b>\$ (433,786)</b>	<b>\$ (655,139)</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>117.20%</b>	<b>114.39%</b>	<b>122.50%</b>
<b>Covered payroll</b>	<b>\$ 714,275</b>	<b>\$ 669,092</b>	<b>\$ 677,275</b>
<b>School Board's net pension liability (asset) as a percentage of covered payroll</b>	<b>-72.42%</b>	<b>-64.83%</b>	<b>-96.73%</b>

Exhibit 12

2020	2019	2018	2017	2016	2015	2014
\$ 56,647	\$ 53,116	\$ 55,480	\$ 57,634	\$ 59,924	\$ 61,333	\$ 66,261
173,897	166,402	162,172	158,497	155,869	152,679	143,318
(32,568)	36,870	(30,275)	19,797	(69,531)	(70,799)	-
-	70,479	-	(69,565)	-	-	-
(129,885)	(125,692)	(128,200)	(99,528)	(117,897)	(77,403)	(74,286)
\$ 68,091	\$ 201,175	\$ 59,177	\$ 66,835	\$ 28,365	\$ 65,810	\$ 135,293
2,641,198	2,440,023	2,380,846	2,314,011	2,285,646	2,219,836	2,084,543
\$ 2,709,289	\$ 2,641,198	\$ 2,440,023	\$ 2,380,846	\$ 2,314,011	\$ 2,285,646	\$ 2,219,836
\$ 5,886	\$ 6,087	\$ 9,888	\$ 11,017	\$ 39,362	\$ 38,525	\$ 37,671
31,066	29,121	29,353	30,300	31,397	30,884	30,980
55,438	185,892	199,084	300,235	43,532	109,677	326,923
(129,885)	(125,692)	(128,200)	(99,528)	(117,897)	(77,403)	(74,286)
(1,932)	(1,892)	(1,759)	(1,756)	(1,566)	(1,488)	(1,750)
(65)	(117)	(176)	(266)	(18)	(24)	18
\$ (39,492)	\$ 93,399	\$ 108,190	\$ 240,002	\$ (5,190)	\$ 100,171	\$ 319,556
2,924,480	2,831,081	2,722,891	2,482,889	2,488,079	2,387,908	2,068,352
\$ 2,884,988	\$ 2,924,480	\$ 2,831,081	\$ 2,722,891	\$ 2,482,889	\$ 2,488,079	\$ 2,387,908
\$ (175,699)	\$ (283,282)	\$ (391,058)	\$ (342,045)	\$ (168,878)	\$ (202,433)	\$ (168,072)
106.49%	110.73%	116.03%	114.37%	107.30%	108.86%	107.57%
\$ 685,240	\$ 637,701	\$ 641,120	\$ 647,223	\$ 658,317	\$ 631,847	\$ 619,571
-25.64%	-44.42%	-61.00%	-52.85%	-25.65%	-32.04%	-27.13%

County of Lunenburg, Virginia

Schedule of Employer's Share of Net Pension Liability (Asset) VRS Teacher Retirement Plan

For the Measurement Dates of June 30, 2014 through June 30, 2024

Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's			
		Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (3)/(4)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
(1)	(2)	(3)	(4)	(5)	(6)
2023	0.10317%	\$ 10,856,149	\$ 10,680,320	101.65%	82.45%
2022	0.10710%	9,842,395	9,558,758	102.97%	82.61%
2021	0.10075%	7,821,321	8,835,579	88.52%	85.46%
2020	0.10362%	15,079,431	8,998,972	167.57%	71.47%
2019	0.09786%	12,878,932	8,151,751	157.99%	73.51%
2018	0.09684%	11,388,000	7,804,042	145.92%	74.81%
2017	0.09711%	11,943,000	7,630,185	156.52%	72.92%
2016	0.01080%	15,129,000	8,231,247	183.80%	68.28%
2015	0.10488%	13,200,000	7,797,820	169.28%	70.68%
2014	0.10549%	12,748,000	7,714,430	165.25%	70.88%



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

Date	Contractually Required Contribution*	Contributions in Relation to Contractually Required Contribution*	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
(1)	(2)	(3)	(4)	(5)	
<b>Primary Government</b>					
2024	\$ 399,727	\$ 399,727	\$ -	\$ 3,314,359	12.06%
2023	373,084	373,084	-	3,062,075	12.18%
2022	329,994	329,994	-	2,565,264	12.86%
2021	294,700	294,700	-	2,283,839	12.90%
2020	259,561	259,561	-	2,380,671	10.90%
2019	237,533	237,533	-	2,171,165	10.94%
2018	268,986	268,986	-	2,114,684	12.72%
2017	278,860	278,860	-	2,165,063	12.88%
2016	331,846	331,846	-	2,176,040	15.25%
2015	326,068	326,068	-	2,138,151	15.25%
<b>Component Unit School Board (nonprofessional)</b>					
2024	\$ -	\$ -	\$ -	\$ 841,162	0.00%
2023	-	-	-	714,275	0.00%
2022	2,506	2,506	-	669,092	0.37%
2021	3,596	3,596	-	677,275	0.53%
2020	5,850	5,850	-	685,240	0.85%
2019	6,073	6,073	-	637,701	0.95%
2018	9,888	9,888	-	641,120	1.54%
2017	13,527	13,527	-	647,223	2.09%
2016	40,881	40,881	-	658,317	6.21%
2015	39,238	39,238	-	631,847	6.21%
<b>Component Unit School Board (professional)</b>					
2024	\$ 1,738,406	\$ 1,738,406	\$ -	\$ 11,039,503	15.75%
2023	1,695,523	1,695,523	-	10,680,320	15.88%
2022	1,535,748	1,535,748	-	9,558,758	16.07%
2021	1,425,309	1,425,309	-	8,835,579	16.13%
2020	1,376,948	1,376,948	-	8,998,972	15.30%
2019	1,284,719	1,284,719	-	8,151,751	15.76%
2018	1,220,769	1,220,769	-	7,804,042	15.64%
2017	1,133,557	1,133,557	-	7,630,185	14.86%
2016	1,154,390	1,154,390	-	8,231,247	14.02%
2015	1,107,896	1,107,896	-	7,797,820	14.21%

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

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

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

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

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

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

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

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

**Component Unit School Board - Professional Employees:**

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

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

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Primary Government:					
2023	0.01300%	\$ 155,911	\$ 3,062,075	5.09%	69.30%
2022	0.01180%	141,963	2,565,264	5.53%	67.21%
2021	0.01110%	128,768	2,283,839	5.64%	67.45%
2020	0.01160%	193,085	2,380,671	8.11%	52.64%
2019	0.01108%	180,301	2,171,165	8.30%	52.00%
2018	0.01112%	169,000	2,114,684	7.99%	51.22%
2017	0.01174%	176,000	2,165,063	8.13%	48.86%
Component Unit School Board (nonprofessional):					
2023	0.00303%	\$ 36,339	\$ 714,275	5.09%	69.30%
2022	0.00312%	37,568	677,712	5.54%	67.21%
2021	0.00330%	38,188	677,275	5.64%	67.45%
2020	0.00330%	55,572	685,240	8.11%	52.64%
2019	0.00331%	53,863	649,629	8.29%	52.00%
2018	0.00338%	51,000	642,832	7.93%	51.22%
2017	0.00351%	53,000	647,223	8.19%	48.86%
Component Unit School Board (professional):					
2023	0.04534%	\$ 543,769	\$ 10,680,320	5.09%	69.30%
2022	0.04395%	529,080	9,558,758	5.54%	67.21%
2021	0.04280%	498,308	8,836,872	5.64%	67.45%
2020	0.04370%	729,615	8,998,972	8.11%	52.64%
2019	0.04164%	677,593	8,162,286	8.30%	52.00%
2018	0.04104%	624,000	7,804,042	8.00%	51.22%
2017	0.04137%	622,000	7,630,185	8.15%	48.86%

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

County of Lunenburg, 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)
<b>Primary Government</b>					
2024	\$ 17,898	\$ 17,898	\$ -	\$ 3,314,359	0.54%
2023	16,535	16,535	-	3,062,075	0.54%
2022	13,852	13,852	-	2,565,264	0.54%
2021	12,333	12,333	-	2,283,839	0.54%
2020	12,379	12,379	-	2,380,671	0.52%
2019	11,290	11,290	-	2,171,165	0.52%
2018	10,996	10,996	-	2,114,684	0.52%
2017	11,258	11,258	-	2,165,063	0.52%
2016	10,445	10,445	-	2,176,040	0.48%
2015	10,278	10,278	-	2,141,224	0.48%
<b>Component Unit School Board (nonprofessional)</b>					
2024	\$ 4,542	\$ 4,542	\$ -	\$ 841,162	0.54%
2023	3,857	3,857	-	714,275	0.54%
2022	3,660	3,660	-	677,712	0.54%
2021	3,657	3,657	-	677,275	0.54%
2020	3,563	3,563	-	685,240	0.52%
2019	3,378	3,378	-	649,629	0.52%
2018	3,343	3,343	-	642,832	0.52%
2017	3,366	3,366	-	647,223	0.52%
2016	3,160	3,160	-	658,317	0.48%
2015	3,033	3,033	-	631,847	0.48%
<b>Component Unit School Board (professional)</b>					
2024	\$ 59,613	\$ 59,613	\$ -	\$ 11,039,503	0.54%
2023	57,674	57,674	-	10,680,320	0.54%
2022	51,617	51,617	-	9,558,758	0.54%
2021	47,719	47,719	-	8,836,872	0.54%
2020	46,795	46,795	-	8,998,972	0.52%
2019	42,444	42,444	-	8,162,286	0.52%
2018	40,581	40,581	-	7,804,042	0.52%
2017	39,677	39,677	-	7,630,185	0.52%
2016	39,510	39,510	-	8,231,247	0.48%
2015	37,430	37,430	-	7,797,820	0.48%

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

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

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

**Teachers**

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

**Non-Largest Ten Locality Employers - General Employees**

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

**Non-Largest Ten Locality Employers - Hazardous Duty Employees**

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

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

Date	Employer's Proportion of the Net HIC OPEB Liability (Asset)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset)	Employer's Covered Payroll	Employer's	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability
				Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	
(1)	(2)	(3)	(4)	(5)	(6)
2023	0.10710%	\$ 1,297,549	\$ 10,680,320	12.15%	17.90%
2022	0.10256%	1,281,022	9,558,758	13.40%	15.08%
2021	0.09991%	1,282,414	8,835,579	14.51%	13.15%
2020	0.10265%	1,339,086	8,998,972	14.88%	9.95%
2019	0.09719%	1,272,312	8,151,751	15.61%	8.97%
2018	0.09650%	1,225,000	7,804,042	15.70%	8.08%
2017	0.09668%	1,226,000	7,630,185	16.07%	7.04%

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

County of Lunenburg, Virginia  
Schedule of Employer Contributions  
Teacher Employee Health Insurance Credit (HIC) Plan  
For the Years Ended June 30, 2015 through June 30, 2024

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Date	Contributions in Relation to			Employer's Covered Payroll	Contributions as a % of Covered Payroll
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)		
2024	\$ 133,578	\$ 133,578	\$ -	\$ 11,039,503	1.21%
2023	129,232	129,232	-	10,680,320	1.21%
2022	115,661	115,661	-	9,558,758	1.21%
2021	106,911	106,911	-	8,835,579	1.21%
2020	107,988	107,988	-	8,998,972	1.20%
2019	97,821	97,821	-	8,151,751	1.20%
2018	95,990	95,990	-	7,804,042	1.23%
2017	84,695	84,695	-	7,630,185	1.11%
2016	87,251	87,251	-	8,231,247	1.06%
2015	82,657	82,657	-	7,797,820	1.06%

County of Lunenburg, Virginia  
Notes to Required Supplementary Information  
Teacher Employee Health Insurance Credit (HIC) Plan  
For the Year Ended June 30, 2024

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

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

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



## County of Lunenburg, Virginia

## Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios

## Health Insurance Credit (HIC) Plan

## Component Unit School Board (Nonprofessional)

For the Measurement Dates of June 30, 2020 through June 30, 2023

	2023	2022	2021	2020
<b>Total HIC OPEB Liability</b>				
Service cost	\$ 575	\$ 877	\$ 985	\$ -
Interest	7,554	6,777	6,109	-
Changes of benefit terms	-	-	-	90,502
Differences between expected and actual experience	(52,253)	(8,113)	1	-
Changes of assumptions	-	14,416	2,716	-
Benefit payments	(2,736)	(1,566)	-	-
<b>Net change in total HIC OPEB liability</b>	<b>\$ (46,860)</b>	<b>\$ 12,391</b>	<b>\$ 9,811</b>	<b>\$ 90,502</b>
<b>Total HIC OPEB Liability - beginning</b>	<b>112,704</b>	<b>100,313</b>	<b>90,502</b>	<b>-</b>
<b>Total HIC OPEB Liability - ending (a)</b>	<b>\$ 65,844</b>	<b>\$ 112,704</b>	<b>\$ 100,313</b>	<b>\$ 90,502</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 8,428	\$ 6,514	\$ 6,299	\$ -
Net investment income	982	(103)	866	-
Benefit payments	(2,736)	(1,566)	-	-
Administrator charges	(28)	(25)	(28)	-
<b>Net change in plan fiduciary net position</b>	<b>\$ 6,646</b>	<b>\$ 4,820</b>	<b>\$ 7,137</b>	<b>\$ -</b>
<b>Plan fiduciary net position - beginning</b>	<b>11,957</b>	<b>7,137</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 18,603</b>	<b>\$ 11,957</b>	<b>\$ 7,137</b>	<b>\$ -</b>
<b>School Board's net HIC OPEB liability - ending (a) - (b)</b>	<b>\$ 47,241</b>	<b>\$ 100,747</b>	<b>\$ 93,176</b>	<b>\$ 90,502</b>
<b>Plan fiduciary net position as a percentage of the total HIC OPEB liability</b>	<b>28.25%</b>	<b>10.61%</b>	<b>7.11%</b>	<b>0.00%</b>
<b>Covered payroll</b>	<b>\$ 714,275</b>	<b>\$ 669,092</b>	<b>\$ 677,275</b>	<b>\$ -</b>
<b>School Board's net HIC OPEB liability as a percentage of covered payroll</b>	<b>6.61%</b>	<b>15.06%</b>	<b>13.76%</b>	<b>0.00%</b>

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

County of Lunenburg, Virginia  
Schedule of Employer Contributions  
Health Insurance Credit (HIC) Plan  
For the Year Ended 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)
<b>Component Unit School Board (Nonprofessional)</b>					
2024	\$ 9,926	\$ 9,926	\$ -	\$ 841,162	1.18%
2023	8,428	8,428	-	714,275	1.18%
2022	6,223	6,223	-	669,092	0.93%
2021	6,299	6,299	-	677,275	0.93%

Contributions are from VRS records.

Schedule is intended to show information for 10 years. 2021 was the initial year for the nonprofessional plan at Lunenburg School Board.

County of Lunenburg, Virginia  
Notes to Required Supplementary Information  
Health Insurance Credit (HIC) Plan  
For the Year Ended June 30, 2024

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

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

**Non-Largest Ten Locality Employers - General Employees**

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

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

	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB liability</b>							
Service cost	\$ 35,915	\$ 41,967	\$ 54,313	\$ 34,328	\$ 40,475	\$ 33,161	\$ 38,403
Interest	31,758	32,297	20,988	27,071	37,777	33,186	29,742
Changes in assumptions	(18,029)	2,686	(101,585)	97,990	93,623	171,569	(28,601)
Economic/Demographic Gains or Losses	-	(86,664)	-	(416,913)	-	(5,257)	-
Benefit payments	(29,618)	(23,378)	(18,165)	(13,338)	(26,784)	(20,037)	(22,589)
<b>Net change in total OPEB liability</b>	\$ 20,026	\$ (33,092)	\$ (44,449)	\$ (270,862)	\$ 145,091	\$ 212,622	\$ 16,955
<b>Total OPEB liability - beginning</b>	<u>848,845</u>	<u>881,937</u>	<u>926,386</u>	<u>1,197,248</u>	<u>1,052,157</u>	<u>839,535</u>	<u>822,580</u>
<b>Total OPEB liability - ending</b>	<u>\$ 868,871</u>	<u>\$ 848,845</u>	<u>\$ 881,937</u>	<u>\$ 926,386</u>	<u>\$ 1,197,248</u>	<u>\$ 1,052,157</u>	<u>\$ 839,535</u>
 <b>Covered-employee payroll</b>	 \$ 10,907,713	 \$ 10,907,713	 \$ 9,449,070	 \$ 9,449,070	 \$ 8,879,040	 \$ 8,879,040	 \$ 8,177,100
 <b>School's total OPEB liability (asset) as a percentage of covered-employee payroll</b>	 7.97%	 7.78%	 9.33%	 9.80%	 13.48%	 11.85%	 10.27%

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

**County of Lunenburg, Virginia**  
**Notes to Required Supplementary Information - Component Unit School Board**  
**For the Year Ended June 30, 2024**

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Valuation Date: 1/1/2023  
Measurement Date: 6/30/2024

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

*Methods and assumptions used to determine OPEB liability:*

Actuarial Cost Method	Entry age normal
Discount Rate	3.93% as of June 30, 2024; 3.65% as of June 30, 2023
Inflation	2.50% per year
Salary Increases Including Inflation	5.35% for 1-2 years of service, 4.75% for 3 years of service, then grading to an ultimate rate of 3.50% for 20+ years
Healthcare Trend Rate	The healthcare trend rate assumption starts at 5.80% in 2021 and gradually declines to 4.00% by the year 2073

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*OTHER SUPPLEMENTARY INFORMATION*

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*COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES*

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County of Lunenburg, Virginia  
County Debt Service 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</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
<b>REVENUES</b>				
Intergovernmental:				
Federal	\$ 143,000	\$ 143,000	\$ 143,421	\$ 421
Total revenues	\$ 143,000	\$ 143,000	\$ 143,421	\$ 421
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	\$ 1,242,525	\$ 1,757,525	\$ 1,749,159	\$ 8,366
Interest and other fiscal charges	404,475	404,475	404,475	-
Total expenditures	\$ 1,647,000	\$ 2,162,000	\$ 2,153,634	\$ 8,366
Excess (deficiency) of revenues over (under) expenditures	\$ (1,504,000)	\$ (2,019,000)	\$ (2,010,213)	\$ 8,787
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 1,504,000	\$ 2,019,000	\$ 1,610,213	\$ (408,787)
Total other financing sources (uses)	\$ 1,504,000	\$ 2,019,000	\$ 1,610,213	\$ (408,787)
Net change in fund balances	\$ -	\$ -	\$ (400,000)	\$ (400,000)
Fund balances - beginning	-	-	400,000	400,000
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

County of Lunenburg, Virginia  
County Capital Projects 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</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ (13,260)	\$ (13,260)
Intergovernmental revenues:				
Federal	-	161,462	-	(161,462)
Total revenues	\$ -	\$ 161,462	\$ (13,260)	\$ (174,722)
<b>EXPENDITURES</b>				
Capital projects	\$ 3,027,823	\$ 3,189,285	\$ 1,799,498	\$ 1,389,787
Excess (deficiency) of revenues over (under) expenditures	\$ (3,027,823)	\$ (3,027,823)	\$ (1,812,758)	\$ 1,215,065
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 1,514,108	\$ 1,514,108	\$ -	\$ (1,514,108)
Transfers out	-	-	(225,502)	(225,502)
Issuance of general obligation bonds	1,200,000	1,200,000	-	(1,200,000)
Total other financing sources (uses)	\$ 2,714,108	\$ 2,714,108	\$ (225,502)	\$ (2,939,610)
Net change in fund balances	\$ (313,715)	\$ (313,715)	\$ (2,038,260)	\$ (1,724,545)
Fund balances - beginning	313,715	313,715	3,228,901	2,915,186
Fund balances - ending	\$ -	\$ -	\$ 1,190,641	\$ 1,190,641

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

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	<u>Custodial Funds</u>		
	<u>Special Welfare</u>	<u>Cell Tower Escrow</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,208	\$ 25,914	\$ 28,122
<b>NET POSITION</b>			
Restricted:			
Individuals	\$ 2,208	\$ -	\$ 2,208
Others	-	25,914	25,914
Total net position	\$ 2,208	\$ 25,914	\$ 28,122

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

	<u>Custodial Funds</u>		
	<u>Special Welfare</u>	<u>Cell Tower Escrow</u>	<u>Total</u>
<b>Additions</b>			
Miscellaneous	\$ <u>6,189</u>	\$ <u>-</u>	\$ <u>6,189</u>
<b>Deductions</b>			
Receipient payments	\$ <u>9,732</u>	\$ <u>2,500</u>	\$ <u>12,232</u>
Net increase (decrease) in fiduciary net position	\$ <u>(3,543)</u>	\$ <u>(2,500)</u>	\$ <u>(6,043)</u>
Net position - beginning	\$ <u>5,751</u>	\$ <u>28,414</u>	\$ <u>34,165</u>
Net position - ending	\$ <u><u>2,208</u></u>	\$ <u><u>25,914</u></u>	\$ <u><u>28,122</u></u>

*DISCRETELY PRESENTED COMPONENT UNIT  
SCHOOL BOARD*

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

	School Operating <u>Fund</u>	School Special Revenue <u>Fund</u>	School Activity <u>Fund</u>	Total Governmental <u>Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 888,496	\$ 293,993	\$ 1,182,489
Receivables (net of allowance for uncollectibles):				
Accounts receivable	3,595	-	-	3,595
Due from primary government	592,640	-	-	592,640
Due from other governmental units	1,938,472	11,549	-	1,950,021
Total assets	<u>\$ 2,534,707</u>	<u>\$ 900,045</u>	<u>\$ 293,993</u>	<u>\$ 3,728,745</u>
<b>LIABILITIES</b>				
Liabilities:				
Accounts payable	\$ 2,534,707	\$ 75,972	\$ -	\$ 2,610,679
Total liabilities	<u>\$ 2,534,707</u>	<u>\$ 75,972</u>	<u>\$ -</u>	<u>\$ 2,610,679</u>
<b>FUND BALANCES</b>				
Assigned	\$ -	\$ 824,073	\$ 293,993	\$ 1,118,066
Total fund balances	<u>\$ -</u>	<u>\$ 824,073</u>	<u>\$ 293,993</u>	<u>\$ 1,118,066</u>
Total liabilities and fund balances	<u>\$ 2,534,707</u>	<u>\$ 900,045</u>	<u>\$ 293,993</u>	<u>\$ 3,728,745</u>
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:				
Total fund balances per above				\$ 1,118,066
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				
Capital assets, cost			\$ 23,378,228	
Accumulated depreciation			<u>(12,124,564)</u>	11,253,664
The net pension asset is not an available resource and, therefore, is not reported in the funds.				
				517,262
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.				
Pension related items			\$ 3,872,620	
OPEB related items			<u>533,969</u>	4,406,589
Long-term liabilities, including net OPEB obligation, are not due and payable in the current period and, therefore, are not reported in the funds.				
Net pension liability			\$ (10,856,149)	
Net OPEB liabilities			<u>(2,793,769)</u>	(13,649,918)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.				
Pension related items			\$ (1,389,054)	
OPEB related items			<u>(540,382)</u>	(1,929,436)
Net position of governmental activities				<u>\$ 1,716,227</u>

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

	School Operating Fund	School Special Revenue Fund	School Activity Fund	Total Governmental Funds
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ 14,027	\$ -	\$ 14,027
Charges for services	482,176	85,486	-	567,662
Miscellaneous	-	-	334,066	334,066
Intergovernmental:				
Local government	4,126,497	-	-	4,126,497
Commonwealth	17,378,237	167,695	-	17,545,932
Federal	2,668,465	1,346,421	-	4,014,886
Total revenues	<u>\$ 24,655,375</u>	<u>\$ 1,613,629</u>	<u>\$ 334,066</u>	<u>\$ 26,603,070</u>
<b>EXPENDITURES</b>				
Current:				
Education	<u>\$ 24,655,375</u>	<u>\$ 1,968,504</u>	<u>\$ 315,621</u>	<u>\$ 26,939,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (354,875)</u>	<u>\$ 18,445</u>	<u>\$ (336,430)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (354,875)</u>	<u>\$ 18,445</u>	<u>\$ (336,430)</u>
Fund balances - beginning	-	1,178,948	275,548	1,454,496
Fund balances - ending	<u>\$ -</u>	<u>\$ 824,073</u>	<u>\$ 293,993</u>	<u>\$ 1,118,066</u>
Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:				
Net change in fund balances above				\$ (336,430)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.				
Capital outlay		\$ 1,368,120		
Transfer of joint tenancy assets		523,345		
Depreciation expense		<u>(1,147,265)</u>		744,200
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.				
Change in pension related items		\$ 631,765		
Change in OPEB related items		<u>87,327</u>		719,092
Change in net position of governmental activities				<u>\$ 1,126,862</u>

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

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ -	\$ -
Charges for services	140,000	660,330	482,176	(178,154)
Miscellaneous	4,134	4,134	-	(4,134)
Intergovernmental:				
Local government	5,124,729	5,124,729	4,126,497	(998,232)
Commonwealth	15,964,499	17,505,670	17,378,237	(127,433)
Federal	3,061,198	3,885,501	2,668,465	(1,217,036)
Total revenues	\$ 24,294,560	\$ 27,180,364	\$ 24,655,375	\$ (2,524,989)
EXPENDITURES				
Current:				
Education	\$ 22,942,477	\$ 25,828,281	\$ 24,655,375	\$ 1,172,906
Excess (deficiency) of revenues over (under) expenditures	\$ 1,352,083	\$ 1,352,083	\$ -	\$ (1,352,083)
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (1,352,083)	\$ (1,352,083)	\$ -	\$ 1,352,083
Total other financing sources (uses)	\$ (1,352,083)	\$ (1,352,083)	\$ -	\$ 1,352,083
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

Exhibit 33

School Special Revenue Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ 14,027	\$ 14,027
-	184,641	85,486	(99,155)
-	-	-	-
-	-	-	-
-	50,451	167,695	117,244
1,629,567	1,723,808	1,346,421	(377,387)
\$ 1,629,567	\$ 1,958,900	\$ 1,613,629	\$ (345,271)
\$ 1,629,567	\$ 1,958,900	\$ 1,968,504	\$ (9,604)
\$ -	\$ -	\$ (354,875)	\$ (354,875)
\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ (354,875)	\$ (354,875)
-	-	1,178,948	1,178,948
\$ -	\$ -	\$ 824,073	\$ 824,073

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*DISCRETELY PRESENTED COMPONENT UNIT  
INDUSTRIAL DEVELOPMENT AUTHORITY*

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

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**ASSETS**

## Current assets:

Cash and cash equivalents	\$ 462,818
Inventory	80,000
Total current assets	<u>\$ 542,818</u>
Total assets	<u>\$ 542,818</u>

**NET POSITION**

Unrestricted	\$ 542,818
Total net position	<u><u>\$ 542,818</u></u>

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

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**OPERATING EXPENSES**

Other charges	\$ 1,457
Total operating expenses	<u>\$ 1,457</u>
Operating income (loss)	<u>\$ (1,457)</u>

**NONOPERATING REVENUES (EXPENSES)**

Interest income	\$ 1,766
Total nonoperating revenues (expenses)	<u>\$ 1,766</u>
Change in net position	\$ 309

Net position - beginning	542,509
Net position - ending	<u><u>\$ 542,818</u></u>

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

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Other receipts (payments)	\$ (1,457)
Net cash provided by (used for) operating activities	<u>\$ (1,457)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest income	\$ 1,766
Net cash provided by (used for) investing activities	<u>\$ 1,766</u>

Net increase (decrease) in cash and cash equivalents	\$ 309
------------------------------------------------------	--------

Cash and cash equivalents - beginning	462,509
Cash and cash equivalents - ending	<u><u>\$ 462,818</u></u>

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

Operating income (loss)	\$ (1,457)
Net cash provided (used) by operating activities	<u><u>\$ (1,457)</u></u>

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## *SUPPORTING SCHEDULES*

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

Schedule 1  
Page 1 of 7

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 3,700,000	\$ 3,775,000	\$ 3,601,434	\$ (173,566)
Real and personal public service corporation taxes	250,000	250,000	177,010	(72,990)
Personal property taxes	2,740,000	2,740,000	2,982,635	242,635
Mobile home taxes	20,000	20,000	21,267	1,267
Machinery and tools taxes	285,000	285,000	319,730	34,730
Merchant's capital taxes	80,000	80,000	148,440	68,440
Penalties	65,000	65,000	90,277	25,277
Interest	35,000	35,000	56,616	21,616
Total general property taxes	<u>\$ 7,175,000</u>	<u>\$ 7,250,000</u>	<u>\$ 7,397,409</u>	<u>\$ 147,409</u>
Other local taxes:				
Local sales and use taxes	\$ 530,000	\$ 530,000	\$ 689,123	\$ 159,123
Utility taxes	180,000	180,000	180,760	760
Consumption tax	20,000	20,000	22,820	2,820
Motor vehicle licenses	214,000	214,000	219,192	5,192
Taxes on recordation and wills	70,000	70,000	108,786	38,786
Total other local taxes	<u>\$ 1,014,000</u>	<u>\$ 1,014,000</u>	<u>\$ 1,220,681</u>	<u>\$ 206,681</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 6,000	\$ 6,000	\$ 5,790	\$ (210)
Transfer fees	400	400	482	82
Permits and other licenses	152,600	152,600	115,829	(36,771)
Total permits, privilege fees, and regulatory licenses	<u>\$ 159,000</u>	<u>\$ 159,000</u>	<u>\$ 122,101</u>	<u>\$ (36,899)</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 6,500	\$ 6,500	\$ 29,214	\$ 22,714
Total fines and forfeitures	<u>\$ 6,500</u>	<u>\$ 6,500</u>	<u>\$ 29,214</u>	<u>\$ 22,714</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 22,000	\$ 22,000	\$ 450,549	\$ 428,549
Revenue from use of property	31,700	31,700	32,733	1,033
Total revenue from use of money and property	<u>\$ 53,700</u>	<u>\$ 53,700</u>	<u>\$ 483,282</u>	<u>\$ 429,582</u>
Charges for services:				
Excess fees of clerk	\$ 7,000	\$ 7,000	\$ 7,315	\$ 315
Sheriff's fees	600	600	1,058	458
Courthouse security fees	12,000	12,000	20,713	8,713
Landfill fees	525,000	525,000	784,631	259,631
Charges for Commonwealth's Attorney	800	800	1,036	236
Charges for correction and detention	200	200	203	3
Document reproduction costs	2,000	2,000	2,277	277
Total charges for services	<u>\$ 547,600</u>	<u>\$ 547,600</u>	<u>\$ 817,233</u>	<u>\$ 269,633</u>

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

Schedule 1  
Page 2 of 7

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Revenue from local sources: (Continued)				
Miscellaneous:				
Miscellaneous	\$ 75,000	\$ 75,000	\$ 92,887	\$ 17,887
Opioid settlement	-	-	27,937	27,937
Total miscellaneous	\$ 75,000	\$ 75,000	\$ 120,824	\$ 45,824
Recovered costs:				
Town of Victoria/Town of Kenbridge	\$ 5,000	\$ 5,000	\$ 14,668	\$ 9,668
Total recovered costs	\$ 5,000	\$ 5,000	\$ 14,668	\$ 9,668
Total revenue from local sources	\$ 9,035,800	\$ 9,110,800	\$ 10,205,412	\$ 1,094,612
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Communications tax	\$ 145,000	\$ 145,000	\$ 134,558	\$ (10,442)
Mobile home titling tax	30,000	30,000	42,954	12,954
Rolling stock tax	4,000	4,000	4,490	490
Personal property tax relief funds	1,048,200	1,048,200	1,048,232	32
Total noncategorical aid	\$ 1,227,200	\$ 1,227,200	\$ 1,230,234	\$ 3,034
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 320,000	\$ 320,000	\$ 280,345	\$ (39,655)
Sheriff	920,000	920,000	943,127	23,127
Commissioner of revenue	126,000	126,000	129,325	3,325
Treasurer	122,000	122,000	123,443	1,443
Registrar/electoral board	65,000	65,000	79,700	14,700
Clerk of the Circuit Court	258,000	312,558	423,140	110,582
Total shared expenses	\$ 1,811,000	\$ 1,865,558	\$ 1,979,080	\$ 113,522
Other categorical aid:				
Public assistance and welfare administration	\$ 588,000	\$ 588,000	\$ 543,909	\$ (44,091)
Animal friendly plates	100	100	114	14
Auto rental	600	600	1,651	1,051
DMV ATV tax	600	600	1,210	610
Children's services act	908,000	908,000	978,017	70,017
School resource officer	154,500	154,500	62,597	(91,903)
Technology	-	110,726	4,686	(106,040)
Emergency response	-	-	2,154	2,154
Emergency medical services	12,000	12,000	12,157	157
Victim-witness grant	21,300	21,300	21,308	8
E-911 wireless	48,000	48,000	52,563	4,563
E-911 equipment grant	-	-	99	99
Selective enforcement grant	-	25,644	-	(25,644)



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

Schedule 1  
Page 3 of 7

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid: (Continued)				
Litter control	\$ 13,000	\$ 13,000	\$ 33,192	\$ 20,192
Fire programs fund	36,000	36,000	40,927	4,927
Total other categorical aid	<u>\$ 1,782,100</u>	<u>\$ 1,918,470</u>	<u>\$ 1,754,584</u>	<u>\$ (163,886)</u>
Total categorical aid	<u>\$ 3,593,100</u>	<u>\$ 3,784,028</u>	<u>\$ 3,733,664</u>	<u>\$ (50,364)</u>
Total revenue from the Commonwealth	<u>\$ 4,820,300</u>	<u>\$ 5,011,228</u>	<u>\$ 4,963,898</u>	<u>\$ (47,330)</u>
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 800,000	\$ 800,000	\$ 858,070	\$ 58,070
Victim witness grant	44,700	44,700	44,747	47
LEMP grant	-	-	5,699	5,699
FEMA/Homeland Security grants	82,500	82,500	331,774	249,274
American Rescue Plan Act	274,000	299,000	717,989	418,989
Transportation safety grant	-	-	17,208	17,208
Total categorical aid	<u>\$ 1,201,200</u>	<u>\$ 1,226,200</u>	<u>\$ 1,975,487</u>	<u>\$ 749,287</u>
Total revenue from the federal government	<u>\$ 1,201,200</u>	<u>\$ 1,226,200</u>	<u>\$ 1,975,487</u>	<u>\$ 749,287</u>
Total General Fund	<u><u>\$ 15,057,300</u></u>	<u><u>\$ 15,348,228</u></u>	<u><u>\$ 17,144,797</u></u>	<u><u>\$ 1,796,569</u></u>
<b>Special Revenue Fund:</b>				
<b>County Special Revenue Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 57	\$ 57
Revenue from the use of property	2,600	2,600	2,924	324
Total revenue from use of money and property	<u>\$ 2,600</u>	<u>\$ 2,600</u>	<u>\$ 2,981</u>	<u>\$ 381</u>
Charges for services:				
Law Library	\$ 1,000	\$ 1,000	\$ 948	\$ (52)
Total charges for services	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 948</u>	<u>\$ (52)</u>
Miscellaneous:				
Miscellaneous	\$ 25,800	\$ 25,800	\$ 473,357	\$ 447,557
Solar siting	1,573,000	1,573,000	726,666	(846,334)
Total miscellaneous	<u>\$ 1,598,800</u>	<u>\$ 1,598,800</u>	<u>\$ 1,200,023</u>	<u>\$ (398,777)</u>
Total revenue from local sources	<u><u>\$ 1,602,400</u></u>	<u><u>\$ 1,602,400</u></u>	<u><u>\$ 1,203,952</u></u>	<u><u>\$ (398,448)</u></u>

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

Schedule 1  
Page 4 of 7

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Special Revenue Fund: (Continued)</b>				
<b>County Special Revenue Fund: (Continued)</b>				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Aviation fees	\$ 872,700	\$ 872,700	\$ 920,090	\$ 47,390
Tobacco funds	-	-	25,000	25,000
Forfeited assets	-	-	1,206	1,206
Total categorical aid	\$ 872,700	\$ 872,700	\$ 946,296	\$ 73,596
Total revenue from the Commonwealth	\$ 872,700	\$ 872,700	\$ 946,296	\$ 73,596
Total County Special Revenue Fund	\$ 2,475,100	\$ 2,475,100	\$ 2,150,248	\$ (324,852)
<b>Debt Service Fund:</b>				
<b>County Debt Service Fund:</b>				
Revenue from the federal government:				
Categorical aid:				
QZAB subsidy	\$ 143,000	\$ 143,000	\$ 143,421	\$ 421
Total categorical aid	\$ 143,000	\$ 143,000	\$ 143,421	\$ 421
Total revenue from the federal government	\$ 143,000	\$ 143,000	\$ 143,421	\$ 421
Total County Debt Service Fund	\$ 143,000	\$ 143,000	\$ 143,421	\$ 421
<b>Capital Projects Fund:</b>				
<b>County Capital Projects Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ (13,260)	\$ (13,260)
Total revenue from use of money and property	\$ -	\$ -	\$ (13,260)	\$ (13,260)
Total revenue from local sources	\$ -	\$ -	\$ (13,260)	\$ (13,260)
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
SHSP Grant	\$ -	\$ 161,462	\$ -	\$ (161,462)
Total categorical aid	\$ -	\$ 161,462	\$ -	\$ (161,462)
Total revenue from the federal government	\$ -	\$ 161,462	\$ -	\$ (161,462)
Total County Capital Projects Fund	\$ -	\$ 161,462	\$ (13,260)	\$ (174,722)
Total Primary Government	\$ 17,675,400	\$ 18,127,790	\$ 19,425,206	\$ 1,297,416
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Revenue from local sources:				
Charges for services:				
Charges for education	\$ 140,000	\$ 181,163	\$ 138,139	\$ (43,024)
Mental health contract	-	479,167	344,037	(135,130)
Total charges for services	\$ 140,000	\$ 660,330	\$ 482,176	\$ (178,154)

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

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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Revenue from local sources:				
Miscellaneous:				
Miscellaneous	\$ 4,134	\$ 4,134	\$ -	\$ (4,134)
Total miscellaneous	\$ 4,134	\$ 4,134	\$ -	\$ (4,134)
Total revenue from local sources	\$ 144,134	\$ 664,464	\$ 482,176	\$ (182,288)
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Lunenburg, Virginia	\$ 5,124,729	\$ 5,124,729	\$ 4,126,497	\$ (998,232)
Total revenues from local governments	\$ 5,124,729	\$ 5,124,729	\$ 4,126,497	\$ (998,232)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,274,386	\$ 2,274,386	\$ 2,189,890	\$ (84,496)
Basic school aid	6,387,242	6,387,242	6,612,701	225,459
Remedial summer education	64,789	64,789	71,700	6,911
Gifted and talented	60,407	60,407	61,031	624
Remedial education	324,000	324,000	327,349	3,349
Special education	450,314	450,314	454,648	4,334
Vocational education	251,512	251,512	254,112	2,600
School fringes	1,168,398	1,233,398	1,246,146	12,748
CTE school equipment	4,000	4,000	3,756	(244)
Early reading intervention	85,676	85,676	66,330	(19,346)
Homebound	27,756	27,756	12,125	(15,631)
Vocational education - equipment	48,714	48,714	4,878	(43,836)
Workplace readiness	700	700	599	(101)
School security grant	200,000	200,000	240,466	40,466
At risk payments	1,698,306	1,698,306	1,680,644	(17,662)
Technology funds	154,000	154,000	154,000	-
Vision screening	3,304	3,304	3,304	-
Primary class size	376,810	376,810	352,516	(24,294)
Standards of Learning algebra readiness	36,523	36,523	36,360	(163)
Mentor teacher program	1,965	1,965	1,953	(12)
Project graduation	6,087	6,087	6,087	-
English as a second language	130,569	130,569	141,825	11,256
CTE industry credentials	3,600	3,600	3,557	(43)
Infrastructure - Lottery	422,348	422,348	449,322	26,974
Teacher recruitment	40,189	40,189	-	(40,189)
All-in	-	881,070	881,070	-
Compensation supplement	980,892	980,892	992,060	11,168
State miscellaneous	762,012	1,357,113	1,129,808	(227,305)
Total categorical aid	\$ 15,964,499	\$ 17,505,670	\$ 17,378,237	\$ (127,433)
Total revenue from the Commonwealth	\$ 15,964,499	\$ 17,505,670	\$ 17,378,237	\$ (127,433)

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

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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>School Operating Fund: (Continued)</b>				
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 625,462	\$ 680,013	\$ 548,046	\$ (131,967)
Vocational education	45,019	45,019	45,541	522
Title V-Rural	97,133	97,133	99,979	2,846
Title IV part A	351,133	351,133	39,358	(311,775)
Title VIB	529,588	529,588	707,699	178,111
Public health	40,189	40,189	-	(40,189)
Title III esl	14,854	14,854	14,385	(469)
Preschool special education	17,268	17,268	24,414	7,146
ESSER education stabilization	1,254,454	2,024,206	1,092,400	(931,806)
Title II, part a-teacher quality	86,098	86,098	96,643	10,545
Total categorical aid	\$ 3,061,198	\$ 3,885,501	\$ 2,668,465	\$ (1,217,036)
Total revenue from the federal government	\$ 3,061,198	\$ 3,885,501	\$ 2,668,465	\$ (1,217,036)
Total School Operating Fund	\$ 24,294,560	\$ 27,180,364	\$ 24,655,375	\$ (2,524,989)
<b>School Special Revenue Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 14,027	\$ 14,027
Total revenue from use of money and property	\$ -	\$ -	\$ 14,027	\$ 14,027
Charges for services:				
Cafeteria sales	\$ -	\$ 184,641	\$ 85,486	\$ (99,155)
Total charges for services	\$ -	\$ 184,641	\$ 85,486	\$ (99,155)
Total revenue from local sources	\$ -	\$ 184,641	\$ 99,513	\$ (85,128)
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ -	\$ 30,522	\$ 20,798	\$ (9,724)
Textbook payment	-	19,929	146,897	126,968
Total categorical aid	\$ -	\$ 50,451	\$ 167,695	\$ 117,244
Total revenue from the Commonwealth	\$ -	\$ 50,451	\$ 167,695	\$ 117,244

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

Schedule 1  
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>School Special Revenue Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 1,629,567	\$ 1,655,595	\$ 1,278,208	\$ (377,387)
Commodities	-	68,213	68,213	-
Total categorical aid	\$ 1,629,567	\$ 1,723,808	\$ 1,346,421	\$ (377,387)
Total revenue from the federal government	\$ 1,629,567	\$ 1,723,808	\$ 1,346,421	\$ (377,387)
Total School Special Revenue Fund	\$ 1,629,567	\$ 1,958,900	\$ 1,613,629	\$ (345,271)
<b>School Activity Fund:</b>				
Revenue from local sources:				
Miscellaneous:				
Other miscellaneous	\$ -	\$ -	\$ 334,066	\$ 334,066
Total miscellaneous	\$ -	\$ -	\$ 334,066	\$ 334,066
Total School Activity Fund	\$ -	\$ -	\$ 334,066	\$ 334,066
Total Discretely Presented Component Unit - School Board	\$ 25,924,127	\$ 29,139,264	\$ 26,603,070	\$ (2,536,194)

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

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<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 55,070	\$ 55,070	\$ 54,769	\$ 301
Total legislative	\$ 55,070	\$ 55,070	\$ 54,769	\$ 301
General and financial administration:				
County administrator	\$ 325,000	\$ 325,000	\$ 322,045	\$ 2,955
Professional services	130,000	130,000	170,948	(40,948)
Commissioner of revenue	254,100	254,100	268,826	(14,726)
Treasurer	271,000	271,000	276,942	(5,942)
Other general and financial administration	464,000	520,868	528,773	(7,905)
Total general and financial administration	\$ 1,444,100	\$ 1,500,968	\$ 1,567,534	\$ (66,566)
Board of elections:				
Electoral board and officials	\$ 77,100	\$ 77,100	\$ 120,112	\$ (43,012)
Registrar	157,750	157,750	179,388	(21,638)
Total board of elections	\$ 234,850	\$ 234,850	\$ 299,500	\$ (64,650)
Total general government administration	\$ 1,734,020	\$ 1,790,888	\$ 1,921,803	\$ (130,915)
Judicial administration:				
Courts:				
Circuit court	\$ 12,000	\$ 12,000	\$ 7,889	\$ 4,111
General district court	2,500	2,500	2,950	(450)
Special Magistrates	1,550	1,550	1,632	(82)
Juvenile and domestic relations court	108,550	108,550	96,641	11,909
Victim witness	69,350	69,350	72,207	(2,857)
Courthouse security	21,600	21,600	19,245	2,355
Clerk of the circuit court	361,000	526,284	533,228	(6,944)
Total courts	\$ 576,550	\$ 741,834	\$ 733,792	\$ 8,042
Commonwealth's attorney:				
Commonwealth's attorney	\$ 406,600	\$ 406,600	\$ 329,926	\$ 76,674
Total commonwealth's attorney	\$ 406,600	\$ 406,600	\$ 329,926	\$ 76,674
Total judicial administration	\$ 983,150	\$ 1,148,434	\$ 1,063,718	\$ 84,716
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,986,800	\$ 2,107,444	\$ 2,068,984	\$ 38,460
Total law enforcement and traffic control	\$ 1,986,800	\$ 2,107,444	\$ 2,068,984	\$ 38,460
Fire and rescue services:				
Fire department	\$ 332,100	\$ 332,100	\$ 322,006	\$ 10,094
Total fire and rescue services	\$ 332,100	\$ 332,100	\$ 322,006	\$ 10,094
Correction and detention:				
Payments to Regional Jail	\$ 897,000	\$ 897,000	\$ 893,869	\$ 3,131
Total correction and detention	\$ 897,000	\$ 897,000	\$ 893,869	\$ 3,131

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

Schedule 2  
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<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Public safety: (Continued)				
Inspections:				
Building	\$ 109,220	\$ 109,220	\$ 108,820	\$ 400
Total inspections	\$ 109,220	\$ 109,220	\$ 108,820	\$ 400
Other protection:				
Animal control	\$ 156,770	\$ 156,770	\$ 168,260	\$ (11,490)
E-911	383,000	383,000	158,741	224,259
Medical examiner	200	200	100	100
Total other protection	\$ 539,970	\$ 539,970	\$ 327,101	\$ 212,869
Total public safety	\$ 3,865,090	\$ 3,985,734	\$ 3,720,780	\$ 264,954
Public works:				
Sanitation and waste removal:				
Refuse collection	\$ 312,300	\$ 352,300	\$ 350,280	\$ 2,020
Convenience sites	114,000	74,000	30,181	43,819
Total sanitation and waste removal	\$ 426,300	\$ 426,300	\$ 380,461	\$ 45,839
Maintenance of general buildings and grounds:				
General properties	\$ 256,700	\$ 256,700	\$ 273,629	\$ (16,929)
Total maintenance of general buildings and grounds	\$ 256,700	\$ 256,700	\$ 273,629	\$ (16,929)
Total public works	\$ 683,000	\$ 683,000	\$ 654,090	\$ 28,910
Health and welfare:				
Health:				
Supplement of local health department	\$ 98,500	\$ 98,500	\$ 85,066	\$ 13,434
Total health	\$ 98,500	\$ 98,500	\$ 85,066	\$ 13,434
Mental health and mental retardation:				
Crossroads Community Services Board	\$ 57,700	\$ 57,700	\$ 57,637	\$ 63
Madeline's house	3,000	3,000	3,000	-
Total mental health and mental retardation	\$ 60,700	\$ 60,700	\$ 60,637	\$ 63
Welfare:				
Public assistance and welfare administration	\$ 1,605,000	\$ 1,605,000	\$ 1,572,974	\$ 32,026
ARPA expenditures	450,550	619,747	436,530	183,217
Children's Services Act	1,120,000	1,188,000	1,172,474	15,526
Total welfare	\$ 3,175,550	\$ 3,412,747	\$ 3,181,978	\$ 230,769
Total health and welfare	\$ 3,334,750	\$ 3,571,947	\$ 3,327,681	\$ 244,266
Education:				
Other instructional costs:				
Contribution to County School Board	\$ 5,124,729	\$ 5,124,729	\$ 4,126,497	\$ 998,232
Total education	\$ 5,124,729	\$ 5,124,729	\$ 4,126,497	\$ 998,232

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

Schedule 2  
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<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Community development:				
Planning and community development:				
Planning and community development	\$ 342,930	\$ 342,930	\$ 358,271	\$ (15,341)
Economic development	93,220	93,220	90,589	2,631
Contribution to IDA - tax incentives	50,000	50,000	-	50,000
Total planning and community development	<u>\$ 486,150</u>	<u>\$ 486,150</u>	<u>\$ 448,860</u>	<u>\$ 37,290</u>
Cooperative extension program:				
Extension office	\$ 55,510	\$ 55,510	\$ 48,405	\$ 7,105
Total cooperative extension program	<u>\$ 55,510</u>	<u>\$ 55,510</u>	<u>\$ 48,405</u>	<u>\$ 7,105</u>
Total community development	<u>\$ 541,660</u>	<u>\$ 541,660</u>	<u>\$ 497,265</u>	<u>\$ 44,395</u>
Capital projects:				
Capital improvements	\$ 615,000	\$ 615,000	\$ 368,775	\$ 246,225
Total capital projects	<u>\$ 615,000</u>	<u>\$ 615,000</u>	<u>\$ 368,775</u>	<u>\$ 246,225</u>
Total General Fund	<u><u>\$ 16,881,399</u></u>	<u><u>\$ 17,461,392</u></u>	<u><u>\$ 15,680,609</u></u>	<u><u>\$ 1,780,783</u></u>
<b>Special Revenue Fund:</b>				
<b>County Special Revenue Fund:</b>				
Judicial Administration:				
Courts:				
Law Library	\$ 1,000	\$ 1,000	\$ -	\$ 1,000
Total courts	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 1,000</u>
Commonwealth's attorney:				
Asset forfeiture	\$ -	\$ -	\$ 523	\$ (523)
Total commonwealth's attorney	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 523</u>	<u>\$ (523)</u>
Total judicial administration	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 523</u>	<u>\$ 477</u>
Public Safety:				
Sheriff:				
Project lifesaver	\$ 800	\$ 1,300	\$ 1,084	\$ 216
Asset forfeiture	-	5,000	4,270	730
Total Sheriff	<u>\$ 800</u>	<u>\$ 6,300</u>	<u>\$ 5,354</u>	<u>\$ 946</u>
Total public safety	<u>\$ 800</u>	<u>\$ 6,300</u>	<u>\$ 5,354</u>	<u>\$ 946</u>
Community Development:				
Airport	\$ 977,400	\$ 977,400	\$ 1,039,277	\$ (61,877)
Site readiness	1,023,000	1,022,500	85,053	937,447
Solar	450,000	450,000	7,955	442,045
Economic development	-	-	253,709	(253,709)
Total community development	<u>\$ 2,450,400</u>	<u>\$ 2,449,900</u>	<u>\$ 1,385,994</u>	<u>\$ 1,063,906</u>
Total County Special Revenue Fund	<u><u>\$ 2,452,200</u></u>	<u><u>\$ 2,457,200</u></u>	<u><u>\$ 1,391,871</u></u>	<u><u>\$ 1,065,329</u></u>



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

Schedule 2  
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<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>County Debt Service Fund:</b>				
Debt service:				
Principal retirement	\$ 1,242,525	\$ 1,757,525	\$ 1,749,159	\$ 8,366
Interest and other fiscal charges	404,475	404,475	404,475	-
Total debt service	<u>\$ 1,647,000</u>	<u>\$ 2,162,000</u>	<u>\$ 2,153,634</u>	<u>\$ 8,366</u>
Total County Debt Service Fund	<u>\$ 1,647,000</u>	<u>\$ 2,162,000</u>	<u>\$ 2,153,634</u>	<u>\$ 8,366</u>
<b>Capital Projects Fund:</b>				
<b>County Capital Projects Fund:</b>				
Capital projects expenditures:				
Various capital projects	\$ 3,027,823	\$ 3,189,285	\$ 1,799,498	\$ 1,389,787
Total capital projects	<u>\$ 3,027,823</u>	<u>\$ 3,189,285</u>	<u>\$ 1,799,498</u>	<u>\$ 1,389,787</u>
Total County Capital Projects Fund	<u>\$ 3,027,823</u>	<u>\$ 3,189,285</u>	<u>\$ 1,799,498</u>	<u>\$ 1,389,787</u>
Total Primary Government	<u>\$ 24,008,422</u>	<u>\$ 25,269,877</u>	<u>\$ 21,025,612</u>	<u>\$ 4,244,265</u>
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Education:				
Instruction	\$ 16,099,986	\$ 18,985,790	\$ 18,711,769	\$ 274,021
Administration, health, and attendance	1,380,593	1,380,593	1,382,232	(1,639)
Pupil transportation	1,675,014	1,675,014	2,084,249	(409,235)
Operation and maintenance of school plant	3,786,884	3,786,884	2,477,125	1,309,759
Total education	<u>\$ 22,942,477</u>	<u>\$ 25,828,281</u>	<u>\$ 24,655,375</u>	<u>\$ 1,172,906</u>
<b>School Special Revenue Fund:</b>				
Education:				
Textbooks purchased	\$ 127,397	\$ 338,517	\$ 329,870	\$ 8,647
Administration of school food program	1,502,170	1,552,170	1,570,421	(18,251)
Commodities	-	68,213	68,213	-
Total school food services	<u>\$ 1,629,567</u>	<u>\$ 1,958,900</u>	<u>\$ 1,968,504</u>	<u>\$ (9,604)</u>
Total education	<u>\$ 1,629,567</u>	<u>\$ 1,958,900</u>	<u>\$ 1,968,504</u>	<u>\$ (9,604)</u>
Total School Special Revenue Fund	<u>\$ 1,629,567</u>	<u>\$ 1,958,900</u>	<u>\$ 1,968,504</u>	<u>\$ (9,604)</u>
<b>School Activity Fund:</b>				
Education:				
Elementary and secondary schools	\$ -	\$ -	\$ 315,621	\$ (315,621)
Total education	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 315,621</u>	<u>\$ (315,621)</u>
Total School Activity Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 315,621</u>	<u>\$ (315,621)</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 24,572,044</u>	<u>\$ 27,787,181</u>	<u>\$ 26,939,500</u>	<u>\$ 847,681</u>

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## *OTHER STATISTICAL INFORMATION*

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

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Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare
2015	\$ 997,642	\$ 870,344	\$ 2,580,814	\$ 297,905	\$ 2,130,408
2016	1,050,276	875,310	2,337,300	398,893	2,334,804
2017	1,063,344	932,939	2,290,208	418,352	2,447,789
2018	2,156,747	962,327	2,228,083	502,266	2,301,659
2019	1,076,899	948,303	2,411,413	426,234	2,319,268
2020	1,232,908	1,060,553	2,271,937	591,624	2,562,332
2021	1,506,045	1,102,671	2,867,748	512,211	3,728,150
2022	1,210,624	1,041,409	2,564,917	585,049	3,480,212
2023	1,380,428	1,160,149	2,577,432	615,073	3,659,731
2024	1,865,506	1,196,984	3,539,666	682,589	3,205,087

Table 1

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Education	Parks, Recreation, and Cultural	Community Development	Interest on Long- Term Debt	Total
\$ 3,242,837	\$ -	\$ 984,558	\$ 529,083	\$ 11,633,591
3,807,852	-	614,157	505,103	11,923,695
4,012,355	-	517,514	419,389	12,101,890
3,941,309	-	483,415	407,364	12,983,170
4,638,256	-	444,798	378,674	12,643,845
4,401,518	-	403,166	349,873	12,873,911
4,005,259	-	1,342,493	368,463	15,433,040
5,202,215	-	1,057,032	555,785	15,697,243
6,434,098	-	777,335	355,013	16,959,259
4,857,655	-	900,277	286,918	16,534,682

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

PROGRAM REVENUES				
Fiscal Year		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
2015	\$	317,265	\$ 3,404,694	\$ 556,961
2016		336,993	3,504,970	161,250
2017		324,967	3,503,832	418,367
2018		307,852	3,661,994	149,463
2019		396,717	3,939,207	240,775
2020		461,715	4,042,459	68,883
2021		745,794	5,595,086	978,575
2022		629,345	4,934,876	157,662
2023		730,633	5,595,825	1,783,338
2024		969,496	6,435,155	356,873

Table 2

GENERAL REVENUES					
General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	Total
\$ 5,917,386	\$ 913,402	\$ 97,278	\$ 253,918	\$ 1,288,699	\$ 12,749,603
5,707,134	889,055	77,496	229,326	1,292,264	12,198,488
5,905,263	920,475	73,420	837,687	1,281,236	13,265,247
6,439,308	972,692	688,340	84,637	1,287,127	13,591,413
6,612,170	955,967	102,420	93,241	1,261,796	13,602,293
6,538,921	1,035,657	100,749	209,547	1,259,543	13,717,474
6,898,034	1,087,072	69,951	202,556	1,240,972	16,818,040
7,304,257	1,124,699	37,096	141,092	1,276,693	15,605,720
7,556,288	1,163,983	192,522	1,425,770	1,227,711	19,676,070
7,394,611	1,220,681	473,003	1,346,403	1,238,393	19,434,615

County of Lunenburg, Virginia  
General Governmental Expenditures by Function (1,3)  
Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare
2015	\$ 964,773	\$ 663,222	\$ 2,467,807	\$ 800,555	\$ 2,129,955
2016	946,751	666,682	2,200,354	368,027	2,334,705
2017	1,068,627	712,532	2,157,440	360,273	2,448,474
2018	1,235,277	752,221	1,993,502	375,851	2,270,648
2019	1,142,067	767,122	2,290,405	415,632	2,388,743
2020	1,162,040	814,230	2,111,555	554,063	2,527,219
2021	1,405,695	814,438	2,699,637	468,282	3,660,671
2022	1,290,848	871,489	2,436,635	553,545	3,492,561
2023	1,400,819	1,027,624	2,846,213	577,559	3,756,833
2024	1,921,803	1,064,241	3,726,134	654,090	3,327,681

(1) Includes General, Special Revenue, and Debt Service funds of the Primary Government and its Discretely Presented Component Unit - School Board.

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

(3) Excludes Capital Projects.



Table 3

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Education (2)	Parks, Recreation, and Cultural	Community Development	Non- departmental	Debt Service	Total
\$ 16,179,524	\$ -	\$ 980,262	\$ 80,383	\$ 1,522,206	\$ 25,788,687
16,629,670	-	543,693	83,178	1,507,380	25,280,440
16,536,158	-	557,471	-	7,474,387	31,315,362
16,498,640	-	407,147	-	1,493,771	25,027,057
18,076,180	-	441,932	-	1,590,076	27,112,157
18,318,508	-	397,417	-	1,588,901	27,473,933
20,575,462	-	1,484,815	-	3,378,812	34,487,812
24,754,503	-	1,056,148	-	1,807,937	36,263,666
26,112,754	-	781,126	-	1,650,064	38,152,992
26,939,500	-	1,883,259	-	2,153,634	41,670,342

County of Lunenburg, Virginia  
General Governmental Revenues by Source (1,3)  
Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property
2015	\$ 5,802,033	\$ 913,402	\$ 36,178	\$ 36,073	\$ 97,949
2016	5,817,193	889,055	38,829	35,890	78,041
2017	5,866,563	920,475	33,376	23,544	73,734
2018	6,423,501	972,692	43,207	31,517	688,340
2019	6,522,172	955,967	35,763	30,127	102,861
2020	6,636,936	1,035,657	42,755	34,353	101,142
2021	6,953,895	1,087,072	50,876	9,493	70,156
2022	7,173,747	1,124,699	46,144	7,118	39,297
2023	7,542,628	1,163,983	52,302	9,742	83,985
2024	7,397,409	1,220,681	122,101	29,214	500,290

(1) Includes General, Special Revenue, and Debt Service funds of the Primary Government and its Discretely Presented Component Unit - School Board.

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

(3) Excludes Capital Projects.

Table 4

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Charges for Services	Miscellaneous	Recovered Costs	Inter- governmental (2)	Total
\$ 604,650	\$ 187,943	\$ 1,013	\$ 18,338,146	\$ 26,017,387
720,215	159,003	25,422	17,816,366	25,580,014
600,100	67,446	10,938	18,786,580	26,382,756
233,128	84,637	13,234	18,245,322	26,735,578
648,692	98,526	14,334	18,856,576	27,265,018
463,323	344,783	6,334	19,480,425	28,145,708
698,507	394,540	3,489	24,786,738	34,054,766
630,843	539,424	4,683	27,280,837	36,846,792
761,797	2,299,904	-	27,705,982	39,620,323
1,385,843	1,654,913	14,668	29,589,920	41,915,039

Table 5

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

Fiscal Year	Total Tax Levy (1,3)	Current Tax Collections (1,3)	Percent of Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections	Percent of	
						Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1,2)
							Percent of Delinquent Taxes to Tax Levy
2015	\$ 6,890,327	\$ 6,547,438	95.02%	\$ 208,886	\$ 6,756,324	98.06%	\$ 780,075 11.32%
2016	6,893,418	6,591,800	95.62%	160,893	6,752,693	97.96%	707,642 10.27%
2017	7,163,096	6,647,523	92.80%	155,534	6,803,057	94.97%	709,773 9.91%
2018	7,366,833	7,244,020	98.33%	123,350	7,367,370	100.01%	810,547 11.00%
2019	7,870,661	7,310,686	92.89%	132,873	7,443,559	94.57%	988,086 12.55%
2020	7,518,750	7,426,653	98.78%	142,198	7,568,851	100.67%	1,001,447 13.32%
2021	8,253,060	7,635,233	92.51%	242,052	7,877,285	95.45%	1,096,493 13.29%
2022	8,464,838	7,961,505	94.05%	130,868	8,092,373	95.60%	930,679 10.99%
2023	8,650,711	8,200,063	94.79%	239,561	8,439,624	97.56%	1,140,250 13.18%
2024	8,835,323	8,128,555	92.00%	170,193	8,298,748	93.93%	1,092,882 12.37%

(1) Exclusive of penalties and interest.

(2) Includes three most current delinquent tax years and first half of current tax year.

(3) Includes Personal Property Tax Relief

Table 6

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

Fiscal Year	Real Estate (1)	Personal Property and Mobile Homes	Machinery and Tools	Merchant's Capital	Public Utility (2)		
					Real Estate	Personal Property	Total
2015	\$ 857,786,218	\$ 78,887,981	\$ 15,898,061	\$ 6,879,896	\$ 46,363,952	-	\$ 1,005,816,108
2016	861,620,018	89,727,790	17,533,857	6,278,956	51,634,069	-	1,026,794,690
2017	867,269,213	93,655,515	18,147,479	7,065,135	64,693,176	-	1,050,830,518
2018	923,664,589	94,411,146	18,608,383	7,349,197	66,483,626	-	1,110,516,941
2019	926,276,345	95,192,444	18,453,932	7,481,209	76,190,981	-	1,123,594,911
2020	935,399,374	94,305,337	13,984,362	6,724,995	74,737,487	-	1,125,151,555
2021	940,857,213	110,037,719	19,603,747	8,241,430	74,805,404	-	1,153,545,513
2022	948,563,674	121,069,063	15,470,890	8,783,475	68,685,904	-	1,162,573,006
2023	960,443,024	126,446,772	15,171,264	11,983,821	63,238,557	-	1,177,283,438
2024	1,216,301,600	118,398,565	15,820,959	12,413,607	54,299,967	-	1,417,234,698

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

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

Table 7

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

Fiscal Year	Real Estate	Personal Property	Machinery and Tools	Merchant's Capital
2015	\$ 0.38	\$ 3.60	\$ 1.80	\$ 1.20
2016	0.38	3.60	1.80	1.20
2017	0.38	3.60	1.80	1.20
2018	0.38	3.60	1.80	1.20
2019	0.38	3.80	1.80	1.20
2020	0.38	3.80	1.80	1.20
2021	0.38	3.80	1.80	1.20
2022	0.38	3.80	1.80	1.20
2023	0.38	3.80	1.80	1.20
2024	0.33	3.80	1.80	1.20

(1) Per \$100 of assessed value.

Table 8

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

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Net Bonded Debt	Ratio of	
					Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2015	12,914	\$ 1,005,816,108	\$ 9,039,495	\$ 9,039,495	0.90%	\$ 700
2016	12,914	1,026,794,690	8,479,327	8,479,327	0.83%	657
2017	12,914	1,050,830,518	8,125,025	8,125,025	0.77%	629
2018	12,914	1,110,516,941	7,497,016	7,497,016	0.68%	581
2019	12,914	1,123,594,911	6,758,107	6,758,107	0.60%	523
2020	12,914	1,125,151,555	5,999,885	5,999,885	0.53%	465
2021	11,936	1,153,545,513	5,025,914	5,025,914	0.44%	421
2022	11,936	1,162,573,006	4,283,737	4,283,737	0.37%	359
2023	11,936	1,177,283,438	3,576,872	3,576,872	0.30%	300
2024	11,936	1,417,234,698	2,845,713	2,845,713	0.20%	238

(1) Weldon Cooper Center for Public Service 2010 Census and 2020 Census.

(2) From Table 6.

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

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ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

**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**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Lunenburg Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise County of Lunenburg, Virginia's basic financial statements, and have issued our report thereon dated November 11, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered County of Lunenburg Virginia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of County of Lunenburg, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Lunenburg, 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. 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 County of Lunenburg, Virginia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of This Report

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

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

Richmond, Virginia  
November 11, 2024



ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

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

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

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

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

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

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

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

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

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

***Responsibilities of Management for Compliance***

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

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

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

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

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

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

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

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

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

## Report on Internal Control over Compliance (Continued)

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

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

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

Richmond, Virginia  
November 11, 2024

County of Lunenburg, 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	Expenditures Passed Through to Subrecipients
Department of Health and Human Services:				
Pass Through Payments:				
Department of Social Services:				
Temporary Assistance for Needy Families	93.558	0400123/0400124	\$ 112,244	\$ -
Guardianship Assistance	93.090	1110123/1110124	147	-
Title IV-E Prevention Services	93.472	1140123/1140124	2,086	-
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950122/0950123	1,990	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500123/0500124	534	-
Low Income Home Energy Assistance	93.568	0600423/0600424	27,297	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF Cluster)	93.596	0760123/0760124	25,107	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900122/0900123	99	-
Foster Care - Title IV-E	93.658	1100123/1100124	70,209	-
Adoption Assistance	93.659	1120123/1120124	148,407	-
Social Services Block Grant	93.667	1000123/1000124	101,043	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150122/9150123	1,079	-
Children's Health Insurance Program	93.767	0540123/0540124	1,776	-
Medical Assistance Program (Medicaid Cluster)	93.778	1200123/1200124	158,817	-
Total Department of Health and Human Services			\$ 650,835	\$ -
Department of Homeland Security:				
Pass Through Payments:				
Department of Emergency Services:		775001-98313/ 776002- 98313		
Homeland Security Grant Program	97.067		\$ 298,068	\$ -
Hazard Mitigation Grant	97.039	776002-983080	19,386	-
Emergency Management Performance Grants	97.042	776002-98308	14,320	-
Total Department of Homeland Security			\$ 331,774	\$ -
Department of Agriculture:				
Pass Through Payments:				
Child Nutrition Cluster:				
Department of Education:				
Summer Food Service Program for Children (Child Nutrition Cluster)	10.559	24N11994	\$ 11,549	\$ -
Department of Agriculture:				
Food Distribution (Child Nutrition Cluster)	10.555	Not available	\$ 68,213	\$ -
Department of Education:				
National School Lunch Program (Child Nutrition Cluster)	10.555	23N11994/21N89034/ 24N11994	893,934	-
Total FALN# 10.555			\$ 962,147	\$ -
Department of Education:				
School Breakfast Program (Child Nutrition Cluster)	10.553	23N11994/24N10994	\$ 367,211	\$ -
Total FALN# 10.553			\$ 367,211	\$ -
Total Child Nutrition Cluster			\$ 1,340,907	\$ -
Department of Education:				
COVID-19 Pandemic EBT Administrative Costs	10.649	23S900941	\$ 3,256	\$ -
Child and Adult Care Food Program	10.558	24N11994	2,257	-
Pass Through Payments:				
Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	0010123/0040123/ 0040124/0010124	\$ 207,235	\$ -
Total Department of Agriculture			\$ 1,553,655	\$ -



County of Lunenburg, 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	Expenditures Passed Through to Subrecipients
Department of the Treasury:				
Direct payments:				
Department of Accounts:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 409,442	\$ -
Pass Through payments:				
Virginia Tourism Corporation:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Tourism	21.027	Not available	24,547	-
Virginia Department of Criminal Justice Service:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Sheriff	21.027	509143	284,000	-
Total FALN# 21.027			<u>\$ 717,989</u>	<u>\$ -</u>
Total Department of Treasury			<u>\$ 717,989</u>	<u>\$ -</u>
Department of Justice:				
Pass Through Payments:				
Department of Criminal Justice Service:				
Crime Victim Assistance	16.575	23-O1465VW19/ 24-O1465VW20	\$ 44,747	\$ -
Edward Byrne Memorial Justice Assistance Grant Program	16.738	22JAG-LLBC/ 23JAG-LLBC	5,699	-
Total Department of Justice			<u>\$ 50,446</u>	<u>\$ -</u>
Department of Transportation:				
Pass Through Payments:				
Department of Motor Vehicles:				
State and Community Highway Safety (Highway Safety Cluster)	20.600	23-53389/ 24-54323	\$ 13,988	\$ -
Alcohol Open Container Requirements	20.607	23-53388	3,220	-
Total Department of Transportation			<u>\$ 17,208</u>	<u>\$ -</u>
Department of Education:				
Pass Through Payments:				
Department of Education:				
Title I Grants to Local Educational Agencies	84.010	S010A220046	\$ 548,046	\$ -
Special Education Grants to States (Special Education Cluster)	84.027	H027X210107/ H027A210107/ H027A230107	707,699	-
Special Education Preschool Grants (Special Education Cluster)	84.173	H173A220112/ H173X210112/ H173A230112	24,414	-
Total Special Education Cluster			<u>\$ 732,113</u>	<u>\$ -</u>
Career and Technical Education - Basic Grants to States	84.048	V048A220046/ V048A210046/ V048A230046	45,541	-
Supporting Effective Instruction State Grants	84.367	S367A220044	96,643	-
Rural Education	84.358	S358B210046/ S358B220046	99,979	-
English Language Acquisition Grants	84.365	S365A220046	14,385	-
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	S425D210008	22,635	-
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	S425U210008	1,069,765	-
Total FALN# 84.425			<u>\$ 1,092,400</u>	<u>\$ -</u>
Student Support and Academic Enrichment Program	84.424	S424A220048	39,359	-
Total Department of Education			<u>\$ 2,668,466</u>	<u>\$ -</u>
Total Expenditures of Federal Awards			<u>\$ 5,990,373</u>	<u>\$ -</u>

See accompanying notes to schedule of expenditures of federal awards.

## County of Lunenburg, Virginia

### Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2024

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#### Note 1 - Basis of Presentation

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

#### Note 3 - Food Donation

The value of federal awards expended in the form of noncash assistance for food commodities is reported in the schedule.

#### Note 4 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$ 1,975,487
County Debt Service Fund	143,421
Total primary government	<u>\$ 2,118,908</u>

Component Unit School Board:

School Operating Fund	\$ 2,668,465
School Special Revenue Fund	1,346,421
Total component unit school board	<u>\$ 4,014,886</u>

Total federal expenditures per basic financial statements \$ 6,133,794

BAB's subsidy \$ (143,421)

Total federal expenditures per the Schedule of Expenditures of  
Federal Awards \$ 5,990,373

#### Note 5 - De Minimis Cost Rate

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

#### Note 6 - Loan Balances

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

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

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Section I-Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ yes ☒ no

Significant deficiency(ies) identified? \_\_\_\_\_ yes ☒ none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes ☒ no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ yes ☒ no

Significant deficiency(ies) identified? \_\_\_\_\_ yes ☒ 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 section 2 CFR  
section 200.516(a)? \_\_\_\_\_ yes ☒ no

Identification of major programs:

Assistance Listing Number(s)  
10.553/10.555/10.559  
84.425

Name of Federal Program or Cluster  
Child Nutrition Cluster  
Education Stabilization Fund

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

Auditee qualified as low-risk auditee? ☒ yes \_\_\_\_\_ no

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

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**Section II-Financial Statement Findings**

None

**Section III-Federal Award Findings and Questioned Costs**

None

**Section IV-Status of Prior Audit Findings**

There were no prior year audit findings.