

COUNTY OF LUNENBURG, VIRGINIA



ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2023

COUNTY OF LUNENBURG, VIRGINIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

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COUNTY OF LUNENBURG, VIRGINIA

Board of Supervisors

Charles R. Slayton, Chair

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

J. Mike Hankins
Alvester L. Edmonds
Edward W. Pennington

Department of Social Services

Nancy Turner, Chair

David P. Fereday
Edward Pennington
Elyssa Long

Jamyce Watson
Cindi Yopp

County School Board

Kathy P. Coffee, Chair

Shannon Hinkle
Doug Aubel
Melanie B. Currin

Amy N. McClure
Tony Craven
Ruby B. Ingram

Other Officials

Judge of the Circuit Court	James William Watson Jr.
Clerk of the Circuit Court	Gordon F. Erby
Commonwealth's Attorney	Jordan Spiers
Commissioner of the Revenue	Liz Y. Hamlett
Treasurer	Amona Currin
Sheriff	Arthur Townsend
Superintendent of Schools	Charles M. Berkley, Jr.
Director of Social Services	Dorothy A. Newcomb
County Administrator	Tracy M. Gee

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**COUNTY OF LUNENBURG, VIRGINIA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023**

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-10
<u>Basic Financial Statements</u>	
Government-wide Financial Statements:	
Exhibit 1 Statement of Net Position	11
Exhibit 2 Statement of Activities	12
Fund Financial Statements:	
Exhibit 3 Balance Sheet–Governmental Funds	13
Exhibit 4 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	14
Exhibit 5 Statement of Revenues, Expenditures and Changes in Fund Balances–Governmental Funds	15
Exhibit 6 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Exhibit 7 Statement of Fiduciary Net Position –Fiduciary Funds	17
Exhibit 8 Statement of Changes in Fiduciary Net Position–Fiduciary Funds	18
Notes to Financial Statements	19-83

**COUNTY OF LUNENBURG, VIRGINIA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023**

TABLE OF CONTENTS

	<u>Page</u>
<u>Required Supplementary Information:</u>	
Exhibit 9 Schedule of Revenues, Expenditures and Changes in Fund Balances–Budget and Actual–General Fund	84
Exhibit 10 Schedule of Revenues, Expenditures, and Changes in Fund Balances–Budget and Actual–County Special Revenue Fund	85
Exhibit 11 Schedule of Changes in Net Pension Liability and Related Ratios–Primary Government	86-87
Exhibit 12 Schedule of Changes in Net Pension Liability (Asset) and Related Ratios–Component Unit School Board (Nonprofessional)	88-89
Exhibit 13 Schedule of Employer’s Share of Net Pension Liability VRS Teacher Retirement Plan	90
Exhibit 14 Schedule of Employer Contributions–Pension Plans	91
Exhibit 15 Notes to Required Supplementary Information–Pension Plans	92
Exhibit 16 Schedule of County’s Share of Net OPEB Liability–Group Life Insurance (GLI) Plan	93
Exhibit 17 Schedule of Employer Contributions - Group Life Insurance (GLI) Plan	94
Exhibit 18 Notes to Required Supplementary Information–Group Life Insurance (GLI) Plan	95
Exhibit 19 Schedule of School Board’s Share of Net OPEB Liability–Teacher Employee Health Insurance Credit (HIC) Plan	96
Exhibit 20 Schedule of Employer Contributions–Teacher Employee Health Insurance Credit (HIC) Plan	97
Exhibit 21 Notes to Required Supplementary Information–Teacher Employee Health Insurance Credit (HIC) Plan	98
Exhibit 22 Schedule of Changes in OPEB Plan Liability (Asset) and Related Ratios Health Insurance Credit (HIC) Plan–Component Unit School Board (Nonprofessional)	99
Exhibit 23 Schedule of Employer Contributions–Health Insurance Credit (HIC) Plan–Component Unit School Board (nonprofessional)	100
Exhibit 24 Notes to Required Supplementary Information– Health Insurance Credit (HIC) Plan–Component Unit School Board (nonprofessional)	101
Exhibit 25 Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios–Component Unit School Board	102
Exhibit 26 Notes to Required Supplementary Information–Component Unit School Board	103

**COUNTY OF LUNENBURG, VIRGINIA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023**

TABLE OF CONTENTS

	<u>Page</u>
<u>Other Supplementary Information:</u>	
Combining and Individual Fund Financial Statements and Schedules:	
Exhibit 27 Schedule of Revenues, Expenditures, and Changes in Fund Financial Balances- Budget and Actual-County Debt Service Fund	104
Exhibit 28 Schedule of Revenues, Expenditures, and Changes in Fund Financial Balances- Budget and Actual-County Capital Projects Fund	105
Exhibit 29 Combining Statement of Fiduciary Net Position – Fiduciary Funds	106
Exhibit 30 Combining Statement of Changes in Fiduciary Net Position – Fiduciary Funds	107
Discretely Presented Component Unit School Board:	
Exhibit 31 Combining Balance Sheet	108
Exhibit 32 Combining Statement of Revenues, Expenditures and Changes in Fund Balances–Governmental Funds	109
Exhibit 33 Schedule of Revenues, Expenditures and Changes in Fund Balances–Budget and Actual	110-111
Discretely Presented Component Unit Industrial Development Authority:	
Exhibit 34 Statement of Net Position	112
Exhibit 35 Statement of Revenues, Expenses and Changes in Net Position	113
Exhibit 36 Statement of Cash Flows	114
Supporting Schedules:	
Schedule 1 Schedule of Revenues–Budget and Actual–Governmental Funds	115-121
Schedule 2 Schedule of Expenditures–Budget and Actual–Governmental Funds	122-125
<u>Other Statistical Information:</u>	
Table 1 Government-Wide Expenses by Function–Last Ten Fiscal Years	126-127
Table 2 Government-Wide Revenues–Last Ten Fiscal Years	128-129
Table 3 General Governmental Expenditures by Function–Last Ten Fiscal Years	130-131
Table 4 General Governmental Revenues by Source–Last Ten Fiscal Years	132-133
Table 5 Property Tax Levies and Collections–Last Ten Fiscal Years	134
Table 6 Assessed Value of Taxable Property–Last Ten Fiscal Years	135
Table 7 Property Tax Rates–Last Ten Fiscal Years	136

COUNTY OF LUNENBURG, VIRGINIA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

TABLE OF CONTENTS

	<u>Page</u>
<u>Other Statistical Information: (Continued)</u>	
Table 8 Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	137
<u>Compliance:</u>	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	138-139
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	140-142
Schedule of Expenditures of Federal Awards	143-144
Notes to Schedule of Expenditures of Federal Awards	145
Schedule of Findings and Questioned Costs	146-147



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Independent Auditors' Report

**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, 2023, 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, 2023, 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.

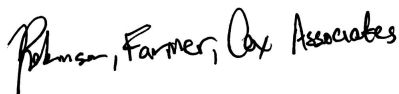
Other Information

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 29, 2023, 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 29, 2023

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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, 2023. 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 \$19,384,788 (net position).

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported revenues and other financing sources over of expenditures and other financing uses of \$431,180 (Exhibit 5) after making contributions totaling \$4,881,722 to the School Board.

- < As of the close of the current fiscal year; the County's funds reported ending fund balances of \$16,093,956 an increase of \$431,180 in comparison with the prior year.
- < At the end of the current fiscal year, unassigned fund balance for the general fund was \$10,720,809 or 63% of total general fund expenditures and other uses.
- < The combined long-term obligations decreased by \$864,782 during the current fiscal year.

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 \$19,384,788 at the close of the most recent fiscal year. The following table summarizes the County's Statement of Net Position:

County of Lunenburg, Virginia's Net Position			
	Governmental Activities		
	2023	2022	
Current and other assets	\$ 24,349,333	\$ 21,405,323	
Capital assets	13,025,741	12,635,561	
Total assets	\$ 37,375,074	\$ 34,040,884	
Deferred outflows of resources	\$ 490,768	\$ 637,223	
Current liabilities	\$ 3,919,967	\$ 1,646,866	
Long-term liabilities outstanding	10,032,762	10,897,544	
Total liabilities	\$ 13,952,729	\$ 12,544,410	
Deferred inflows of resources	\$ 4,528,325	\$ 5,465,720	
Net position:			
Net investment in capital assets	\$ 4,274,951	\$ 2,600,444	
Restricted	1,439,108	-	
Unrestricted	13,670,729	14,067,533	
Total net position	\$ 19,384,788	\$ 16,667,977	

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Government-wide Financial Analysis (Continued)

The County's net position increased by \$2,716,811 during the current fiscal year. The following table summarizes the County's Statement of Activities:

County of Lunenburg, Virginia's Changes in Net Position		
	Governmental Activities	
	2023	2022
Revenues:		
Program revenues:		
Charges for services	\$ 730,633	\$ 629,345
Operating grants and contributions	5,595,825	4,934,876
Capital grants and contributions	1,783,338	157,662
General property taxes	7,556,288	7,304,257
Other local taxes	1,163,983	1,124,699
Grants and other contributions not restricted	1,227,711	1,276,693
Other general revenues	1,618,292	178,188
Total revenues	\$ 19,676,070	\$ 15,605,720
Expenses:		
General government administration	\$ 1,380,428	\$ 1,210,624
Judicial administration	1,160,149	1,041,409
Public safety	2,577,432	2,564,917
Public works	615,073	585,049
Health and welfare	3,659,731	3,480,212
Education	6,434,098	5,202,215
Community development	777,335	1,057,032
Interest and other fiscal charges	355,013	555,785
Total expenses	\$ 16,959,259	\$ 15,697,243
Change in net position	\$ 2,716,811	\$ (91,523)
Net position, beginning of year	16,667,977	16,759,500
Net position, end of year	\$ 19,384,788	\$ 16,667,977

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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 \$16,093,956, an increase of \$431,180 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 \$2,054,790 and budgetary estimates were greater than expenditures and other uses by \$1,513,130. The resulting positive variance for change in fund balance was \$3,567,920.

Capital Asset and Debt Administration

< **Capital assets** - The County's investment in capital assets for its governmental operations as of June 30, 2023 amounts to \$13,025,741 (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 \$7,979,872. Of this amount, \$3,576,872 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 increased by \$1,211,865 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 2024 fiscal year.

There was approximately no change in the overall FY24 operating budget compared to FY 23 and all tax rates remained the same as in 2023.

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, 2023

	Primary Government Governmental Activities	Component Units School Board	IDA
ASSETS			
Cash and cash equivalents	\$ 15,738,085	\$ 1,397,105	\$ 462,509
Investments	3,176,736	-	-
Inventory	-	-	80,000
Receivables (net of allowance for uncollectibles):			
Taxes receivable	4,250,650	-	-
Accounts receivable	372,805	-	-
Due from other governmental units	811,057	2,467,101	-
Net pension asset	-	433,786	-
Capital assets (net of accumulated depreciation):			
Land	276,151	37,807	-
Buildings and improvements	6,411,491	380,946	-
Intangible	15,995	-	-
Machinery and equipment	436,354	4,637,434	-
Jointly owned assets	3,576,872	5,258,285	-
Construction in progress	2,308,878	194,992	-
Total assets	<u>\$ 37,375,074</u>	<u>\$ 14,807,456</u>	<u>\$ 542,509</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	\$ 445,244	\$ 3,251,824	\$ -
OPEB related items	45,524	549,466	-
Total deferred outflow of resources	<u>\$ 490,768</u>	<u>\$ 3,801,290</u>	<u>\$ -</u>
LIABILITIES			
Accounts payable	\$ 392,860	\$ 2,409,710	\$ -
Accrued liabilities	458,263	-	-
Accrued interest payable	111,224	-	-
Due to other funds	1,837,929	-	-
Unearned revenue	1,119,691	-	-
Long-term liabilities:			
Due within one year	1,272,009	-	-
Due in more than one year	8,760,753	12,639,657	-
Total liabilities	<u>\$ 13,952,729</u>	<u>\$ 15,049,367</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	\$ 3,791,462	\$ -	\$ -
Pension related items	700,741	2,330,301	-
OPEB related items	36,122	639,713	-
Total deferred inflows of resources	<u>\$ 4,528,325</u>	<u>\$ 2,970,014</u>	<u>\$ -</u>
NET POSITION			
Net investment in capital assets	\$ 4,274,951	\$ 10,509,464	\$ -
Restricted			
School construction	1,439,108	-	-
Pension plan	-	433,786	-
Unrestricted (deficit)	13,670,729	(10,353,885)	542,509
Total net position	<u>\$ 19,384,788</u>	<u>\$ 589,365</u>	<u>\$ 542,509</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, 2023

Program Revenues					Net (Expense) Revenue and Changes in Net Position			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units		
					Governmental Activities	School Board	IDA	
PRIMARY GOVERNMENT:								
Governmental activities:								
General government administration	\$ 1,380,428	\$ -	\$ 303,279	\$ -	\$ (1,077,149)	\$ -	\$ -	
Judicial administration	1,160,149	27,218	655,671	-	(477,260)	-	-	
Public safety	2,577,432	63,076	2,177,504	79,148	(257,704)	-	-	
Public works	615,073	638,640	-	-	23,567	-	-	
Health and welfare	3,659,731	-	2,303,307	-	(1,356,424)	-	-	
Education	6,434,098	-	143,225	1,439,108	(4,851,765)	-	-	
Community development	777,335	1,699	12,839	265,082	(497,715)	-	-	
Interest on long-term debt	355,013	-	-	-	(355,013)	-	-	
Total governmental activities	\$ 16,959,259	\$ 730,633	\$ 5,595,825	\$ 1,783,338	\$ (8,849,463)	\$ -	\$ -	
Total primary government	\$ 16,959,259	\$ 730,633	\$ 5,595,825	\$ 1,783,338	\$ (8,849,463)	\$ -	\$ -	
COMPONENT UNITS:								
School Board	\$ 22,843,838	\$ 93,208	\$ 20,575,503	\$ -	\$ -	\$ (2,175,127)	\$ -	
IDA	64,331	-	-	-	-	-	(64,331)	
Total component units	\$ 22,908,169	\$ 93,208	\$ 20,575,503	\$ -	\$ -	\$ (2,175,127)	\$ (64,331)	
General revenues:								
General property taxes					\$ 7,556,288	\$ -	\$ -	
Local sales and use taxes					642,734	-	-	
Motor vehicle licenses					218,920	-	-	
Utility taxes					181,425	-	-	
Other local taxes					120,904	-	-	
Unrestricted revenues from use of money and property					192,522	805	703	
Miscellaneous					1,425,770	955,488	-	
Grants and contributions not restricted to specific programs					1,227,711	-	-	
Contribution from Lunenburg County					-	5,353,371	62,882	
Total general revenues					\$ 11,566,274	\$ 6,309,664	\$ 63,585	
Change in net position					\$ 2,716,811	\$ 4,134,537	\$ (746)	
Net position - beginning					16,667,977	(3,545,172)	543,255	
Net position - ending					\$ 19,384,788	\$ 589,365	\$ 542,509	

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, 2023

	<u>General</u>	<u>County Special Revenue</u>	<u>County Debt Service</u>	<u>County Capital Projects</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 13,830,362	\$ 132,115	\$ 400,000	\$ 1,375,608	\$ 15,738,085
Investments	1,214,708	-	-	1,962,028	3,176,736
Receivables (net of allowance for uncollectibles):					
Taxes receivable	4,250,650	-	-	-	4,250,650
Accounts receivable	372,754	51	-	-	372,805
Due from other governmental units	811,057	-	-	-	811,057
Total assets	<u>\$ 20,479,531</u>	<u>\$ 132,166</u>	<u>\$ 400,000</u>	<u>\$ 3,337,636</u>	<u>\$ 24,349,333</u>
LIABILITIES					
Accounts payable	\$ 283,691	\$ 433	\$ -	108,736	\$ 392,860
Accrued liabilities	458,263	-	-	-	458,263
Due to component unit	1,837,929	-	-	-	1,837,929
Unearned revenue	1,119,691	-	-	-	1,119,691
Total liabilities	<u>\$ 3,699,574</u>	<u>\$ 433</u>	<u>\$ -</u>	<u>\$ 108,736</u>	<u>\$ 3,808,743</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	\$ 4,327,993	\$ -	\$ -	\$ -	\$ 4,327,993
Unavailable revenue - opioid settlement	118,641	-	-	-	118,641
Total deferred inflows of resources	<u>\$ 4,446,634</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,446,634</u>
FUND BALANCES					
Restricted	\$ -	\$ -	\$ -	\$ 1,439,108	\$ 1,439,108
Committed	710,340	131,733	400,000	1,789,792	3,031,865
Assigned	902,174	-	-	-	902,174
Unassigned	10,720,809	-	-	-	10,720,809
Total fund balances	<u>\$ 12,333,323</u>	<u>\$ 131,733</u>	<u>\$ 400,000</u>	<u>\$ 3,228,900</u>	<u>\$ 16,093,956</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,479,531</u>	<u>\$ 132,166</u>	<u>\$ 400,000</u>	<u>\$ 3,337,636</u>	<u>\$ 24,349,333</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, 2023

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$ 16,093,956
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, cost	\$ 25,551,320	
Accumulated depreciation	(12,525,579)	13,025,741

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

Unavailable revenue - property taxes	\$ 536,531	
Unavailable revenue - opioid settlement	118,641	655,172

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

Pension related items	\$ 445,244	
OPEB related items	45,524	490,768

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	\$ (4,403,000)	
General obligation bonds	(3,576,872)	
Bond premium	(770,918)	
Compensated absences	(268,499)	
Net pension liability	(871,510)	
Net OPEB liability	(141,963)	
Accrued interest payable	(111,224)	(10,143,986)

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

Pension related items	\$ (700,741)	
OPEB related items	(36,122)	(736,863)

Net position of governmental activities	\$ 19,384,788
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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, 2023

	<u>General</u>	<u>County Special Revenue</u>	<u>County Debt Service</u>	<u>County Capital Projects</u>	<u>Total</u>
REVENUES					
General property taxes	\$ 7,542,628	\$ -	\$ -	\$ -	\$ 7,542,628
Other local taxes	1,163,983	-	-	-	1,163,983
Permits, privilege fees, and regulatory licenses	52,302	-	-	-	52,302
Fines and forfeitures	9,742	-	-	-	9,742
Revenue from the use of money and property	75,093	8,087	-	109,342	192,522
Charges for services	667,775	814	-	-	668,589
Miscellaneous	943,356	1,060	400,000	-	1,344,416
Intergovernmental:					
Commonwealth	4,686,257	295,267	-	1,439,108	6,420,632
Federal	2,001,609	4,121	143,225	-	2,148,955
Total revenues	<u>\$ 17,142,745</u>	<u>\$ 309,349</u>	<u>\$ 543,225</u>	<u>\$ 1,548,450</u>	<u>\$ 19,543,769</u>
EXPENDITURES					
Current:					
General government administration	\$ 1,400,819	\$ -	\$ -	\$ -	\$ 1,400,819
Judicial administration	1,027,624	-	-	-	1,027,624
Public safety	2,787,913	8,300	50,000	-	2,846,213
Public works	577,559	-	-	-	577,559
Health and welfare	3,756,833	-	-	-	3,756,833
Education	4,881,722	-	-	-	4,881,722
Community development	490,216	290,910	-	-	781,126
Capital projects	552,260	-	-	1,638,369	2,190,629
Debt service:					
Principal retirement	-	-	1,211,865	-	1,211,865
Interest and other fiscal charges	-	-	438,199	-	438,199
Total expenditures	<u>\$ 15,474,946</u>	<u>\$ 299,210</u>	<u>\$ 1,700,064</u>	<u>\$ 1,638,369</u>	<u>\$ 19,112,589</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,667,799</u>	<u>\$ 10,139</u>	<u>\$ (1,156,839)</u>	<u>\$ (89,919)</u>	<u>\$ 431,180</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ -	\$ 8,072	\$ 1,556,839	-	\$ 1,564,911
Transfers out	(1,564,911)	-	-	-	(1,564,911)
Total other financing sources (uses)	<u>\$ (1,564,911)</u>	<u>\$ 8,072</u>	<u>\$ 1,556,839</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ 102,888	\$ 18,211	\$ 400,000	\$ (89,919)	\$ 431,180
Fund balances - beginning	12,230,435	113,522	-	3,318,819	15,662,776
Fund balances - ending	<u>\$ 12,333,323</u>	<u>\$ 131,733</u>	<u>\$ 400,000</u>	<u>\$ 3,228,900</u>	<u>\$ 16,093,956</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, 2023

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

Net change in fund balances - total governmental funds	\$	431,180
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. 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	\$ 2,414,948	
Transfer of joint tenancy assets	(471,649)	
Depreciation expense	<u>(707,608)</u>	1,235,691

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, disposals and donations) is to decrease net position.		(845,511)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	\$ 13,660	
Opioid settlement	<u>118,641</u>	132,301

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:

Issuance of leases		
Principal retirement on lease revenue bonds	\$ 505,000	
Principal retirement on general obligation bonds	<u>706,865</u>	1,211,865

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	\$ 10,724	
Amortization of bond issuance premium	72,462	
Change in pension related items	507,522	
Change in OPEB related items	16,302	
(Increase) decrease in compensated absences	<u>(55,725)</u>	551,285

Change in net position of governmental activities	\$	<u><u>2,716,811</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, 2023

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 36,665
LIABILITIES	
Accounts payable	\$ 2,500
NET POSITION	
Individuals	\$ 5,751
Others	28,414
Total net position	\$ 34,165

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, 2023

	<u>Custodial Funds</u>
ADDITIONS	
Miscellaneous	\$ <u>4,284</u>
Total additions	\$ <u>4,284</u>
DEDUCTIONS	
Recipient payments	\$ <u>2,500</u>
Total deductions	\$ <u>2,500</u>
Net increase (decrease) in fiduciary net position	\$ 1,784
Net position - beginning	<u>32,381</u>
Net position - ending	<u><u>\$ 34,165</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, 2023

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, 2023 (Continued)

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

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

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, 2023.

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, 2023.

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, 2023. 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 \$53,000 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)

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)

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, 2023 (Continued)

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

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 \$272,549 on June 30, 2023 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)

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, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2nd half installments levied during the fiscal year but due after June 30th, and amounts prepaid on the 2nd half installments are reported as deferred inflows of resources. In addition, certain items related to pension 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)

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, 2023 (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	County Special Revenue Fund	County Debt Service Fund	County Capital Projects	Total
	Fund	Fund	Fund	Projects	
Fund Balances:					
Restricted:					
School construction	\$ -	\$ -	\$ -	\$ 1,439,108	\$ 1,439,108
Committed:					
Landfill	400,293	-	-	-	400,293
Project lifesaver	-	2,046	-	-	2,046
Law library	-	25,437	-	-	25,437
Forfeited assets	-	39,959	-	-	39,959
Airport	-	1,247	-	-	1,247
Debt service	-	-	400,000	-	400,000
County capital projects	-	-	-	1,789,792	1,789,792
Land sale unclaimed funds	165,514	-	-	-	165,514
E-911	139,714	-	-	-	139,714
Voting machines	4,819	-	-	-	4,819
Economic Development	-	63,044	-	-	63,044
Total Committed	\$ 710,340	\$ 131,733	\$ 400,000	\$ 1,789,792	\$ 3,031,865
Assigned:					
Reassessment	\$ 103,661	\$ -	\$ -	\$ -	\$ 103,661
Emergency Services	798,513	-	-	-	798,513
Total Assigned	\$ 902,174	\$ -	\$ -	\$ -	\$ 902,174
Unassigned	\$ 10,720,809	\$ -	\$ -	\$ -	\$ 10,720,809
Total Fund Balances	\$ 12,333,323	\$ 131,733	\$ 400,000	\$ 3,228,900	\$ 16,093,956

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COUNTY OF LUNENBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

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:

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

1. On or before March 30th, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the 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, 2023 (Continued)

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

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 exceeded appropriations in the County Special Revenue fund on June 30, 2023.

Note 3—Deposits and Investments:

Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the “Act”) Section 2.2-4400 et. Seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits 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, 2023 (Continued)

Note 3—Deposits and Investments: (Continued)

Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2023 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+	Unrated
State Non-Arbitrage Program (SNAP)	\$ -	\$ 1,962,028	\$ -	\$ -
U.S. Agency Securities	-	-	1,054,321	160,387
Total	\$ -	\$ 1,962,028	\$ 1,054,321	\$ 160,387

Interest Rate Risk

Investment Maturities (in years)			
Investment Type	Fair Value	Less Than	
		1 Year	1-5 Years
State Non-Arbitrage Program (SNAP)	\$ 1,962,028	\$ 1,962,028	\$ -
U.S. Agency Securities	1,214,708	1,066,673	148,035
Total	\$ 3,176,736	\$ 3,028,701	\$ 148,035

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COUNTY OF LUNENBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 4—Due to/from Other Governments:

On June 30, 2023, the County has receivables from other governments as follows:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Other Local Governments:		
Lunenburg County	\$ -	\$ 1,837,929
Commonwealth of Virginia:		
Local sales tax	110,260	-
Welfare	42,045	-
Rolling stock tax	4,765	-
Mobile home titling tax	10,042	-
State sales tax	-	344,150
E911 grant	8,537	-
Constitutional officer reimbursements	139,356	-
Victim witness grant	8,360	-
Moped/atv	676	-
Auto rental tax	206	-
Children's services act	356,685	-
School resource officer	31,741	-
Communications tax	22,735	-
Federal Government:		
School funds grants	-	285,022
Welfare	64,657	-
Crime victim assistance	10,992	-
Total due from other governments	\$ <u>811,057</u>	\$ <u>2,467,101</u>

At June 30, 2023, amounts due to other local governments are as follows:

Other Local Governments:		
County of Lunenburg School Board	\$ <u>1,837,929</u>	\$ -
Total due to other governments	\$ <u>1,837,929</u>	\$ -

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COUNTY OF LUNENBURG, VIRGINIA

Notes to Financial Statements As of June 30, 2023 (Continued)

Note 5—Capital Assets:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2023:

Primary Government:

	<u>Balance July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2023</u>
Governmental activities:				
Capital assets not subject to depreciation:				
Land	\$ 276,151	\$ -	\$ -	\$ 276,151
Construction in progress	<u>922,697</u>	<u>2,231,692</u>	<u>845,511</u>	<u>2,308,878</u>
Total capital assets not subject to depreciation	\$ <u>1,198,848</u>	\$ <u>2,231,692</u>	\$ <u>845,511</u>	\$ <u>2,585,029</u>
Capital assets subject to depreciation:				
Buildings and improvements	\$ 11,206,598	\$ 118,051	\$ -	\$ 11,324,649
Machinery and equipment	3,275,573	65,205	36,174	3,304,604
Intangible	159,950	-	-	159,950
Jointly owned assets	<u>9,255,325</u>	<u>-</u>	<u>1,078,237</u>	<u>8,177,088</u>
Total capital assets subject to depreciation	\$ <u>23,897,446</u>	\$ <u>183,256</u>	\$ <u>1,114,411</u>	\$ <u>22,966,291</u>
Accumulated depreciation:				
Buildings and improvements	\$ 4,608,943	\$ 304,215	\$ -	\$ 4,913,158
Machinery and equipment	2,752,242	152,182	36,174	2,868,250
Intangible	127,960	15,995	-	143,955
Jointly owned assets	<u>4,971,588</u>	<u>235,216</u>	<u>606,588</u>	<u>4,600,216</u>
Total accumulated depreciation	\$ <u>12,460,733</u>	\$ <u>707,608</u>	\$ <u>642,762</u>	\$ <u>12,525,579</u>
Total capital assets being depreciated, net	\$ <u>11,436,713</u>	\$ <u>(524,352)</u>	\$ <u>471,649</u>	\$ <u>10,440,712</u>
Governmental activities capital assets, net	\$ <u>12,635,561</u>	\$ <u>1,707,340</u>	\$ <u>1,317,160</u>	\$ <u>13,025,741</u>

Component Unit - School Board:

	<u>Balance July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2023</u>
Capital assets not subject to depreciation:				
Land	\$ 37,807	\$ -	\$ -	\$ 37,807
Construction in progress	<u>1,144,455</u>	<u>1,625,197</u>	<u>2,574,660</u>	<u>194,992</u>
Total capital assets not subject to depreciation	\$ <u>1,182,262</u>	\$ <u>1,625,197</u>	\$ <u>2,574,660</u>	\$ <u>232,799</u>
Capital assets subject to depreciation:				
Buildings and improvements	\$ 550,225	\$ 10,098	\$ -	\$ 560,323
Machinery and equipment	4,574,110	3,410,170	20,081	7,964,199
Jointly owned assets	<u>10,942,731</u>	<u>-</u>	<u>(1,078,237)</u>	<u>12,020,968</u>
Total capital assets subject to depreciation	\$ <u>16,067,066</u>	\$ <u>3,420,268</u>	\$ <u>(1,058,156)</u>	\$ <u>20,545,490</u>
Accumulated depreciation:				
Buildings and improvements	\$ 115,442	\$ 63,935	\$ -	\$ 179,377
Machinery and equipment	2,747,244	599,602	20,081	3,326,765
Jointly owned assets	<u>5,877,995</u>	<u>278,100</u>	<u>(606,588)</u>	<u>6,762,683</u>
Total accumulated depreciation	\$ <u>8,740,681</u>	\$ <u>941,637</u>	\$ <u>(586,507)</u>	\$ <u>10,268,825</u>
Total capital assets being depreciated, net	\$ <u>7,326,385</u>	\$ <u>2,478,631</u>	\$ <u>(471,649)</u>	\$ <u>10,276,665</u>
Component Unit - School Board capital assets, net	\$ <u>8,508,647</u>	\$ <u>4,103,828</u>	\$ <u>2,103,011</u>	\$ <u>10,509,464</u>

COUNTY OF LUNENBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 5—Capital Assets: (Continued)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:

General government administration	\$	73,986
Judicial administration		225,991
Public safety		113,812
Public works		36,950
Health and welfare		15,780
Education		235,216
Community development		5,873
Total Governmental activities	\$	<u>707,608</u>
Component Unit School Board	\$	<u>941,637</u>

Note 6—Interfund Transfers:

Interfund transfers for the year ended June 30, 2023 consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General	\$ -	\$ 1,564,911
County special revenue	8,072	-
County debt service fund	<u>1,556,839</u>	<u>-</u>
Total Primary Government	\$ <u>1,564,911</u>	\$ <u>1,564,911</u>
Component Unit:		
School operating	\$ -	\$ 127,397
School special revenue	<u>127,397</u>	<u>-</u>
Total Component Unit	\$ <u>127,397</u>	\$ <u>127,397</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, 2023 (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, 2023:

	Balance at July 1, 2022	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2023	Amounts Due Within One Year
Governmental Activities Obligations:					
Incurred by County:					
Compensated absences	\$ 212,774	\$ 76,952	\$ 21,227	\$ 268,499	\$ 26,850
Net pension liability	520,885	1,260,746	910,121	871,510	-
Net OPEB liability	128,768	93,598	80,403	141,963	-
Direct Borrowings and Direct Placements:					
Lease revenue bonds	4,908,000	-	505,000	4,403,000	514,000
Issuance premium	600,592	-	37,537	563,055	-
Total incurred by County	\$ 6,371,019	\$ 1,431,296	\$ 1,554,288	\$ 6,248,027	\$ 540,850
Incurred by School Board:					
Direct Borrowings and Direct Placements:					
General obligation bonds	\$ 4,283,737	\$ -	\$ 706,865	\$ 3,576,872	\$ 731,159
Issuance premium	242,788	-	34,925	207,863	-
Total incurred by School Board	\$ 4,526,525	\$ -	\$ 741,790	\$ 3,784,735	\$ 731,159
Total Governmental Activities Obligations	\$ 10,897,544	\$ 1,431,296	\$ 2,296,078	\$ 10,032,762	\$ 1,272,009

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

County Obligations		
Direct Borrowings and Direct Placements		
Year Ending June 30	Lease Revenue Bond	
	Principal	Interest
2024	\$ 514,000	\$ 148,536
2025	524,000	137,779
2026	20,000	126,825
2027	25,000	125,672
2028	80,000	122,981
2029-2033	1,345,000	481,909
2034-2038	1,895,000	99,363
Total	\$ 4,403,000	\$ 1,243,065

COUNTY OF LUNENBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (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
2024	\$ 731,159	\$ 252,056
2025	750,478	225,895
2026	770,235	198,790
2027	410,000	179,923
2028	335,000	106,673
2029-2033	580,000	273,684
Total	\$ 3,576,872	\$ 1,237,021

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COUNTY OF LUNENBURG, VIRGINIA

Notes to Financial Statements As of June 30, 2023 (Continued)

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of long-term indebtedness are as follows:

		Interest	Date	Final	Amount of	Balance	Amount
	Notes	Rates	Issued	Maturity	Original	Governmental	Due Within
				Date	Issue	Activities	One Year
Incurring by the County:							
Compensated absences (payable from the General Fund)						\$ 268,499	\$ 26,850
Net OPEB liability (payable from the General Fund)						\$ 141,963	\$ -
Net pension liability (payable from the General Fund)						\$ 871,510	\$ -
Direct borrowings and direct placements:							
<u>Lease Revenue Bonds:</u>							
Public Facility Lease Revenue Bond	(a)	1.97%	12/22/2017	2/1/2025	\$ 3,763,000	\$ 998,000	\$ 494,000
Virginia Resource Authority Lease Revenue Bond, plus unamortized premium of \$563,055	(a)	2.212% - 5.125%	11/17/2021	10/1/2036	3,425,000	3,968,055	20,000
Total long-term obligations incurred by the County						\$ 6,248,027	\$ 540,850
Incurring by the School Board:							
Direct borrowings and direct placements:							
<u>General Obligation Bonds:</u>							
VPSA Bond Outstanding, plus unamortized premium of \$3,375	(a)	4.25%	7/8/2010	6/1/2027	\$ 1,175,000	\$ 343,375	\$ 85,000
VPSA Bond Outstanding	(a)	4.25%	12/15/2012	12/1/2030	2,100,000	920,000	115,000
VPSA Bond Outstanding	(a)	4.60% - 5.10%	10/25/2005	1/15/2026	5,856,256	1,081,872	351,159
VPSA Bond Outstanding, plus unamortized premium of \$204,488	(a)	5.05%	11/10/2020	7/15/2028	1,550,000	1,439,488	180,000
Total General Obligation and Lease Revenue Bonds						\$ 3,784,735	\$ 731,159
Total Direct Borrowings and Direct Placements						\$ 3,784,735	\$ 731,159
Total long-term obligations incurred by School Board, payable from the General Fund						\$ 3,784,735	\$ 731,159
Total outstanding debt - governmental activities						\$ 10,032,762	\$ 1,272,009
(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, 2023 (Continued)

Note 7—Long-Term Obligations: (Continued)

Component Unit-School Board:

	Balance at July 1, 2022	Increases	Decreases	Balance at June 30, 2023	Amounts Due Within One Year
Component Unit-School Board:					
Net pension liability	\$ 7,821,321	\$ 8,099,743	\$ 6,078,669	\$ 9,842,395	\$ -
Net OPEB liabilities	2,794,023	779,373	776,134	2,797,262	-
Total Component Unit-School Board	\$ 10,615,344	\$ 8,879,116	\$ 6,854,803	\$ 12,639,657	\$ -

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 \$3,791,462 and \$4,446,634 respectively, on June 30, 2023 which is comprised of the following:

	Government-wide Statements Governmental Activities	Balance Sheet Governmental Funds
Deferred/Unavailable revenue:		
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 536,531
2nd half assessment - property tax	3,382,949	3,382,949
Prepaid property taxes due in December but paid in advance by taxpayers	408,513	408,513
Unavailable opioid settlement revenue that is not available for funding of current expenditures	-	118,641
Total	\$ 3,791,462	\$ 4,446,634

Note 9—Commitments and Contingent Liabilities:

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.

COUNTY OF LUNENBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 9—Commitments and Contingent Liabilities: (Continued)

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 lease purchase agreement 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 lease purchase agreement.

Note 10—Litigation:

On June 30, 2023, 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:

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:

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)

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, 2023 (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, 2021 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Primary Government	Component Unit School Board nonprofessional
Inactive members or their beneficiaries currently receiving benefits	59	26
Inactive members:		
Vested inactive members	10	1
Non-vested inactive members	23	8
Inactive members active elsewhere in VRS	38	7
Total inactive members	71	16
Active members	46	32
Total covered employees	176	74

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, 2023 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 \$373,084 and \$329,994 for the years ended June 30, 2023 and June 30, 2022, respectively.

Note 12—Pension Plans: (Continued)

Contributions (Continued)

The Component Unit School Board’s contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2023 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 (\$8,688) and \$2,506 for the years ended June 30, 2023 and June 30, 2022, 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, 2022. The total pension liabilities used to calculate the net pension liability/asset were determined by an actuarial valuation performed as of June 30, 2021, rolled forward to the measurement date of June 30, 2022.

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, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

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

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COUNTY OF LUNENBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 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, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation	2.50%
Salary increases, including inflation	3.50% - 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, 2023 (Continued)

Note 12—Pension Plans: (Continued)

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

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

All Others (Non-10 Largest) - 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, 2023 (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%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		Expected arithmetic nominal return**	7.83%

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

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

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, 2023 (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, 2021 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2022, 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 100% of the actuarially determined contribution rate. From July 1, 2022 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, 2021	\$ 14,737,088	\$ 14,216,203	\$ 520,885
Changes for the year:			
Service cost	\$ 257,112	\$ -	\$ 257,112
Interest	985,056	-	985,056
Differences between expected and actual experience	(457,088)	-	(457,088)
Contributions - employer	-	330,006	(330,006)
Contributions - employee	-	122,702	(122,702)
Net investment income	-	(9,708)	9,708
Benefit payments, including refunds	(801,541)	(801,541)	-
Administrative expenses	-	(8,870)	8,870
Other changes	-	325	(325)
Net changes	\$ (16,461)	\$ (367,086)	\$ 350,625
Balances at June 30, 2022	\$ 14,720,627	\$ 13,849,117	\$ 871,510

COUNTY OF LUNENBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (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, 2021	\$ 2,911,511	\$ 3,566,650	\$ (655,139)
Changes for the year:			
Service cost	\$ 49,034	\$ -	\$ 49,034
Interest	194,883	-	194,883
Differences between expected and actual experience	6,352	-	6,352
Contributions - employer	-	3,780	(3,780)
Contributions - employee	-	29,515	(29,515)
Net investment income	-	(2,217)	2,217
Benefit payments, including refunds	(146,792)	(146,792)	-
Administrative expenses	-	(2,243)	2,243
Other changes	-	81	(81)
Net changes	\$ 103,477	\$ (117,876)	\$ 221,353
Balances at June 30, 2022	\$ 3,014,988	\$ 3,448,774	\$ (433,786)

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)	\$ 2,585,049	\$ 871,510	\$ (543,418)
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	\$ (54,869)	\$ (433,786)	\$ (742,131)

COUNTY OF LUNENBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (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, 2023, the County and Component Unit School Board (nonprofessional) recognized pension expense of (\$134,426) and (\$34,023), respectively. On June 30, 2023, 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	\$ -	\$ 286,831	\$ 6,561	\$ -
Changes of assumptions	72,160	-	27,073	-
Net difference between projected and actual earnings on pension plan investments	-	413,910	-	105,396
Employer contributions subsequent to the measurement date	373,084	-	(8,688)	-
Total	<u>\$ 445,244</u>	<u>\$ 700,741</u>	<u>\$ 24,946</u>	<u>\$ 105,396</u>

\$373,084 and (\$8,688) 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2024	\$ (363,439)	\$ (8,693)
2025	(178,594)	(40,706)
2026	(277,996)	(70,174)
2027	191,448	47,811
2028	-	-
Thereafter	-	-

Pension Plan Data

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

COUNTY OF LUNENBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 12—Pension Plans: (Continued)

Component Unit School Board (professional)

Plan Description

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted 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, 2023 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits 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 \$1,695,523 and \$1,535,748 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$442.4 million to the VRS Teacher Retirement Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

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

On June 30, 2023, the school division reported a liability of \$9,842,395 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The 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, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2022, the school division's proportion was .10710% as compared to .10075% on June 30, 2021.

For the year ended June 30, 2023, the school division recognized pension expense of \$500,823. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

COUNTY OF LUNENBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (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)

At June 30, 2023, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience \$	-	\$ 678,672
Changes of assumptions	927,940	-
Net difference between projected and actual earnings on pension plan investments	-	1,283,242
Changes in proportion and differences between employer contributions and proportionate share of contributions	603,415	232,991
Employer contributions subsequent to the measurement date	<u>1,695,523</u>	<u>-</u>
Total	<u>\$ 3,226,878</u>	<u>\$ 2,194,905</u>

\$1,695,523 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2024	\$ (172,909)
2025	(299,055)
2026	(829,373)
2027	637,787
2028	-

Note 12—Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation	2.50%
Salary increases, including inflation	3.50% - 5.95%
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 MP-2021 rates

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COUNTY OF LUNENBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 12—Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions (Continued)

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
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, 2022, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	<u>Teacher Employee Retirement Plan</u>
Total Pension Liability	\$ 54,732,329
Plan Fiduciary Net Position	45,211,731
Employers' Net Pension Liability (Asset)	<u>\$ 9,520,598</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.61%

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, 2023 (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) \$	17,579,271 \$	9,842,395 \$	3,542,877

Pension Plan Fiduciary Net Position

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

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	\$ 445,244	\$ 700,741	\$ 871,510	\$ (134,426)	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	24,946	105,396	(433,786)	(34,023)
School Board Professional	-	-	-	-	3,226,878	2,194,905	9,842,395	500,823
Totals	\$ 445,244	\$ 700,741	\$ 871,510	\$ (134,426)	\$ 3,251,824	\$ 2,300,301	\$ 9,408,609	\$ 466,800

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

Plan Description

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

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Plan. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured 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 \$8,984 as of June 30, 2023.

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2023 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions,

COUNTY OF LUNENBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

Contributions (Continued)

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 \$16,535 and \$13,852 for the years ended June 30, 2023 and June 30, 2022, respectively.

Contributions to the Group Life Insurance Plan from the Component Unit School Board professional group were \$57,674 and \$51,617 for the years ended June 30, 2023 and June 30, 2022, respectively. Contributions to the Group Life Insurance Plan from the Component Unit School Board nonprofessional group were \$3,857 and \$3,660 for the years ended June 30, 2023 and June 30, 2022, respectively.

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

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

On June 30, 2023, the County reported a liability of \$141,963 for its proportionate share of the Net GLI OPEB Liability. The Component Unit School Board professional and nonprofessional groups reported liabilities of \$529,080 and \$37,568, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2022 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2022, the County's proportion was .01180% as compared to .01110% on June 30, 2021. On June 30, 2022, the Component Unit School Board professional and nonprofessional groups' proportion was .04395% and .04280%, respectively as compared to .00312% and .00330% respectively at June 30, 2021.

For the year ended June 30, 2023, the County recognized GLI OPEB expense of \$3,821. For the year ended June 30, 2022, the Component Unit School Board professional group recognized GLI OPEB expense of \$11,241. For the year ended June 30, 2022, the Component Unit School Board nonprofessional group recognized GLI OPEB expense of \$601. 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, 2023 (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, 2023, 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	\$ 11,242	\$ 5,695	\$ 41,896	\$ 21,225	\$ 2,975	\$ 1,507
Net difference between projected and actual earnings on GLI OPEB plan investments	-	8,871	-	33,060	-	2,347
Changes of assumptions	5,295	13,828	19,734	51,535	1,401	3,659
Changes in proportionate share	12,452	7,728	33,308	15,868	157	2,794
Employer contributions subsequent to the measurement date	16,535	-	57,674	-	3,857	-
Total	\$ 45,524	\$ 36,122	\$ 152,612	\$ 121,688	\$ 8,390	\$ 10,307

\$16,535, \$57,674, and \$3,857, 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit School Board (professional)	Component Unit School Board (nonprofessional)
2024	\$ (2,706)	\$ (8,254)	\$ (1,257)
2025	(1,312)	(1,967)	(1,240)
2026	(5,524)	(20,674)	(2,405)
2027	1,779	5,453	(221)
2028	630	(1,308)	(651)
Thereafter	-	-	-

COUNTY OF LUNENBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

Inflation	2.50%
Salary increases, including inflation:	
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, 2023 (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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions 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, 2023 (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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions 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
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

COUNTY OF LUNENBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions 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, 2022, NOL amounts for the GLI Plan is as follows (amounts expressed in thousands):

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

COUNTY OF LUNENBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (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:

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

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

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

COUNTY OF LUNENBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (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, 2022, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

		Rate		
		1% Decrease	Current Discount	1% Increase
		(5.75%)	(6.75%)	(7.75%)
County's proportionate share of the GLI Plan				
Net OPEB Liability	\$	206,573	\$ 141,963	\$ 89,749
Component School Board (professional)'s proportionate share of the GLI Plan				
Net OPEB Liability	\$	769,873	\$ 529,080	\$ 334,486
Component School Board (nonprofessional)'s proportionate share of the GLI Plan				
Net OPEB Liability	\$	54,666	\$ 37,568	\$ 23,750

GLI Plan Fiduciary Net Position

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

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

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted 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, 2023 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 \$129,232 and \$115,661 for the years ended June 30, 2023 and June 30, 2022, respectively.

COUNTY OF LUNENBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

Contributions (Continued)

In June 2022, the Commonwealth made a special contribution of approximately \$12 million to the VRS Teacher HIC Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

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, 2023, the school division reported a liability of \$1,281,022 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, 2022 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, 2021 and rolled forward to the measurement date of June 30, 2022. 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, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2022, the school division's proportion of the VRS Teacher Employee HIC was .10256% as compared to .09991% on June 30, 2021.

For the year ended June 30, 2023, the school division recognized VRS Teacher Employee HIC OPEB expense of \$93,867. 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, 2023, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 52,216
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	1,286
Changes of assumptions	37,425	3,271
Changes in proportionate share and differences between actual and expected contributions	75,609	55,955
Employer contributions subsequent to the measurement date	129,232	-
Total	\$ 242,266	\$ 112,728

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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)

\$129,232 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, 2024. 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>	
2024	\$ (12,419)
2025	(4,721)
2026	7,144
2027	10,450
2028	(327)
Thereafter	179

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, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation	2.50%
Salary increases, including inflation	3.50%-5.95%
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, 2023 (Continued)

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

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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COUNTY OF LUNENBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions 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, 2022, NOL amounts for the VRS Teacher Employee HIC Plan are as follows (amounts expressed in thousands):

		Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB Liability	\$	1,470,891
Plan Fiduciary Net Position		221,845
Teacher Employee Net HIC OPEB Liability (Asset)	\$	<u>1,249,046</u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		
		15.08%

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, 2023 (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:

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

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

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

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, 2022, 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, 2022 on, all agencies are assumed to continue to contribute 100% of the actuarially determined

COUNTY OF LUNENBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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	\$	1,443,727	\$ 1,281,022	\$ 1,143,102

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 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 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.

COUNTY OF LUNENBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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, 2021 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	14
Inactive members:	
Vested inactive members	1
Total inactive members	15
Active members	32
Total covered employees	47

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, 2023 was 0.93% 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 \$8,428 and \$6,223 for the years ended June 30, 2023 and June 30, 2022, respectively.

Net HIC OPEB Liability

The School Board’s net HIC OPEB liability was measured as of June 30, 2022. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2021, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

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, 2023 (Continued)

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

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

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

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

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COUNTY OF LUNENBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (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:

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

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

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

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, 2022, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2022 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the 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.

COUNTY OF LUNENBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

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, 2021	\$ 100,313	\$ 7,137	\$ 93,176
Changes for the year:			
Service cost	\$ 877	\$ -	\$ 877
Interest	6,777	-	6,777
Assumption changes	14,416	-	14,416
Differences between expected and actual experience	(8,113)	-	(8,113)
Contributions - employer	-	6,514	(6,514)
Net investment income	-	(103)	103
Benefit payments	(1,566)	(1,566)	-
Administrative expenses	-	(25)	25
Net changes	\$ 12,391	\$ 4,820	\$ 7,571
Balances at June 30, 2022	\$ 112,704	\$ 11,957	\$ 100,747

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	\$ 110,547	\$ 100,747	\$ 92,298

COUNTY OF LUNENBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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**

For the year ended June 30, 2023, the School Board recognized HIC Plan OPEB expense of \$9,172. At June 30, 2023, 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 \$	6,177
Changes of assumptions	12,457	-
Net difference between projected and actual earnings on pension plan investments	209	-
Employer contributions subsequent to the measurement date	\$ 8,428	\$ -
Total	<u>\$ 21,095</u>	<u>\$ 6,177</u>

\$8,428 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ended June 30

2024	\$ 2,141
2025	2,141
2026	1,774
2027	434
2028	-
Thereafter	-

Health Insurance Credit Program Plan Data

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

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

School Board

Plan Description

In addition to the pension benefits described in Note 13, 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.

Plan Membership

On June 30, 2023 (measurement 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, 2023 was \$18,165.

Total OPEB Liability

The School Board’s total OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

COUNTY OF LUNENBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

School Board: (Continued)

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	3.65% as of June 30, 2023; 3.54% as of June 30, 2022
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-Commencement: RP-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.

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 as of December 31, 2022.

Changes in Total OPEB Liability

	Component Unit School Board Total OPEB Liability
Balance at June 30, 2022	\$ 881,937
Changes for the year:	
Service cost	\$ 41,967
Interest	32,297
Economic/demographic gains or losses	(86,664)
Changes in assumptions	2,686
Benefit payments	(23,378)
Net changes	\$ (33,092)
Balance at June 30, 2023	\$ 848,845

COUNTY OF LUNENBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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 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 (2.65%) or one percentage point higher (4.65%) than the current discount rate:

	Rate		
	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Component Unit School Board:			
Total OPEB liability	\$ 914,383	\$ 848,845	\$ 786,804

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	\$ 758,747	\$ 848,845	\$ 953,240

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

For the year ended June 30, 2023, the School Board recognized OPEB expense in the amount of \$43,514. On June 30, 2023, 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	\$ -	\$ 319,478
Changes in assumptions	125,103	69,335
Total	\$ 125,103	\$ 388,813

COUNTY OF LUNENBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (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>
2023	\$ (30,750)
2024	(52,049)
2025	(73,358)
2026	(73,358)
2027	(31,487)
Thereafter	(2,708)

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, 2023:

	<u>Amount</u>
Division of Risk Management Surety Bond:	
Commonwealth Funds	
Gordon F. Erby, Clerk of the Circuit Court	\$ 150,000
Amona Currin, Treasurer	400,000
Liz Y. Hamlett, Commissioner of the Revenue	3,000
Arthur Townsend, Sheriff	30,000
VACo Risk Management Programs:	
James Abernathy, Clerk of the School Board	10,000
Kathy Wray, Clerk of Textbook Fund	10,000
Mary B. Leistra, Deputy Clerk of the Board	10,000
Charles M. Berkley, Jr., School Superintendent	10,000
All School Board Employees-blanket bond	2,500
Western Surety Company:	
Dorothy A. Newcomb, Director of Social Services	100,000
VA Risk Pool:	
All Social Services Employees-Blanket Bond	1,000,000

COUNTY OF LUNENBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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, 2023:

Investment type	Balance June 30, 2023	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	\$ 1,214,708	\$ 1,214,708	\$ -	\$ -
	\$ 1,214,708	\$ 1,214,708	\$ -	\$ -

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, 2023 (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, 2023 was \$18,869.

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	\$ 45,524	\$ 36,122	\$ 141,963	\$ 3,821	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	8,390	10,307	37,568	601
School Board Professional	-	-	-	-	152,612	121,688	529,080	11,241
Teacher Health Insurance Credit Plan (Note 14)	-	-	-	-	242,266	112,728	1,281,022	93,867
Nonprofessional Health Insurance Credit Plan (Note 15)	-	-	-	-	21,095	6,177	100,747	9,172
School Stand-Alone Plan (Note 16)	-	-	-	-	125,103	388,813	848,845	43,514
Totals	<u>\$ 45,524</u>	<u>\$ 36,122</u>	<u>\$ 141,963</u>	<u>\$ 3,821</u>	<u>\$ 549,466</u>	<u>\$ 639,713</u>	<u>\$ 2,797,262</u>	<u>\$ 158,395</u>

Note 21—Upcoming Pronouncements:

Statement No. 99, *Omnibus 2022*, enhances the comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The effective dates differ based on the requirements of the Statement, ranging from April 2022 to reporting periods beginning after June 15, 2023.

Statement No. 100, *Accounting Changes and Error Corrections* - an amendment of GASB Statement No. 62, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023.

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

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

COUNTY OF LUNENBURG, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 21—Upcoming Pronouncements: (Continued)

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

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

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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, 2023

	<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>
REVENUES				
General property taxes	\$ 6,841,000	\$ 6,841,000	\$ 7,542,628	\$ 701,628
Other local taxes	913,500	913,500	1,163,983	250,483
Permits, privilege fees, and regulatory licenses	47,200	47,200	52,302	5,102
Fines and forfeitures	7,000	7,000	9,742	2,742
Revenue from the use of money and property	44,700	44,700	75,093	30,393
Charges for services	542,650	542,650	667,775	125,125
Miscellaneous	25,000	25,000	943,356	918,356
Recovered costs	5,000	5,000	-	(5,000)
Intergovernmental:				
Commonwealth	4,450,940	4,450,940	4,686,257	235,317
Federal	2,210,965	2,210,965	2,001,609	(209,356)
Total revenues	<u>\$ 15,087,955</u>	<u>\$ 15,087,955</u>	<u>\$ 17,142,745</u>	<u>\$ 2,054,790</u>
EXPENDITURES				
Current:				
General government administration	\$ 1,401,880	\$ 1,401,880	\$ 1,400,819	\$ 1,061
Judicial administration	881,045	881,045	1,027,624	(146,579)
Public safety	2,815,550	2,815,550	2,787,913	27,637
Public works	674,390	674,390	577,559	96,831
Health and welfare	5,058,965	5,058,965	3,756,833	1,302,132
Education	4,920,640	5,048,037	4,881,722	166,315
Community development	518,270	518,270	490,216	28,054
Capital projects	642,950	642,950	552,260	90,690
Total expenditures	<u>\$ 16,913,690</u>	<u>\$ 17,041,087</u>	<u>\$ 15,474,946</u>	<u>\$ 1,566,141</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,825,735)</u>	<u>\$ (1,953,132)</u>	<u>\$ 1,667,799</u>	<u>\$ 3,620,931</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (1,511,900)	\$ (1,511,900)	\$ (1,564,911)	\$ (53,011)
Total other financing sources (uses)	<u>\$ (1,511,900)</u>	<u>\$ (1,511,900)</u>	<u>\$ (1,564,911)</u>	<u>\$ (53,011)</u>
Net change in fund balances	\$ (3,337,635)	\$ (3,465,032)	\$ 102,888	\$ 3,567,920
Fund balances - beginning	3,337,635	3,465,032	12,230,435	8,765,403
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,333,323</u>	<u>\$ 12,333,323</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, 2023

	<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>
REVENUES				
Revenue from the use of money and property	\$ 12,400	\$ 12,400	\$ 8,087	\$ (4,313)
Charges for services	1,000	1,000	814	(186)
Miscellaneous	3,800	3,800	1,060	(2,740)
Intergovernmental:				
Commonwealth	25,000	25,000	295,267	270,267
Federal	-	-	4,121	4,121
Total revenues	<u>\$ 42,200</u>	<u>\$ 42,200</u>	<u>\$ 309,349</u>	<u>\$ 267,149</u>
EXPENDITURES				
Current:				
Judicial administration	\$ 1,000	\$ 1,000	\$ -	\$ 1,000
Public safety	800	800	8,300	(7,500)
Community development	47,800	47,800	290,910	(243,110)
Total expenditures	<u>\$ 49,600</u>	<u>\$ 49,600</u>	<u>\$ 299,210</u>	<u>\$ (249,610)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (7,400)</u>	<u>\$ (7,400)</u>	<u>\$ 10,139</u>	<u>\$ 17,539</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 5,000	\$ 5,000	\$ 8,072	\$ 3,072
Total other financing sources (uses)	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 8,072</u>	<u>\$ 3,072</u>
Net change in fund balances	\$ (2,400)	\$ (2,400)	\$ 18,211	\$ 20,611
Fund balances - beginning	2,400	2,400	113,522	111,122
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 131,733</u>	<u>\$ 131,733</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, 2022

	2022	2021	2020
Total pension liability			
Service cost	\$ 257,112	\$ 261,465	\$ 264,784
Interest	985,056	933,546	893,972
Differences between expected and actual experience	(457,088)	(286,989)	192,243
Changes of assumptions	-	392,874	-
Benefit payments	(801,541)	(788,244)	(741,177)
Net change in total pension liability	\$ (16,461)	\$ 512,652	\$ 609,822
Total pension liability - beginning	14,737,088	14,224,436	13,614,614
Total pension liability - ending (a)	\$ 14,720,627	\$ 14,737,088	\$ 14,224,436
Plan fiduciary net position			
Contributions - employer	\$ 330,006	\$ 294,701	\$ 259,410
Contributions - employee	122,702	109,245	115,712
Net investment income	(9,708)	3,110,108	221,069
Benefit payments	(801,541)	(788,244)	(741,177)
Administrator charges	(8,870)	(7,898)	(7,674)
Other	325	292	(259)
Net change in plan fiduciary net position	\$ (367,086)	\$ 2,718,204	\$ (152,919)
Plan fiduciary net position - beginning	14,216,203	11,497,999	11,650,918
Plan fiduciary net position - ending (b)	\$ 13,849,117	\$ 14,216,203	\$ 11,497,999
County's net pension liability - ending (a) - (b)	\$ 871,510	\$ 520,885	\$ 2,726,437
Plan fiduciary net position as a percentage of the total pension liability	94.08%	96.47%	80.83%
Covered payroll	\$ 2,565,264	\$ 2,283,839	\$ 2,380,671
County's net pension liability as a percentage of covered payroll	33.97%	22.81%	114.52%

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

Exhibit 11

	2019	2018	2017	2016	2015	2014
\$	235,665	\$ 233,959	\$ 248,894	\$ 254,636	\$ 253,424	\$ 260,971
	865,998	863,622	847,873	827,318	796,712	773,018
	150,972	(367,253)	(74,609)	(37,291)	81,002	-
	342,586	-	(46,162)	-	-	-
	(704,025)	(688,743)	(813,271)	(688,771)	(699,037)	(691,966)
\$	891,196	\$ 41,585	\$ 162,725	\$ 355,892	\$ 432,101	\$ 342,023
	12,723,418	12,681,833	12,519,108	12,163,216	11,731,115	11,389,092
\$	<u>13,614,614</u>	<u>\$ 12,723,418</u>	<u>\$ 12,681,833</u>	<u>\$ 12,519,108</u>	<u>\$ 12,163,216</u>	<u>\$ 11,731,115</u>
\$	237,526	\$ 268,987	\$ 276,270	\$ 326,381	\$ 328,483	\$ 198,923
	106,233	103,367	106,205	117,177	108,843	101,935
	739,071	791,790	1,203,146	170,601	449,389	1,385,508
	(704,025)	(688,743)	(813,271)	(688,771)	(699,037)	(691,966)
	(7,525)	(6,955)	(7,228)	(6,342)	(6,324)	(7,725)
	(465)	(700)	(1,057)	(74)	(96)	73
\$	370,815	\$ 467,746	\$ 764,065	\$ (81,028)	\$ 181,258	\$ 986,748
	11,280,103	10,812,357	10,048,292	10,129,320	9,948,062	8,961,314
\$	<u>11,650,918</u>	<u>\$ 11,280,103</u>	<u>\$ 10,812,357</u>	<u>\$ 10,048,292</u>	<u>\$ 10,129,320</u>	<u>\$ 9,948,062</u>
\$	1,963,696	\$ 1,443,315	\$ 1,869,476	\$ 2,470,816	\$ 2,033,896	\$ 1,783,053
	85.58%	88.66%	85.26%	80.26%	83.28%	84.80%
\$	2,171,165	\$ 2,114,684	\$ 2,165,063	\$ 2,176,040	\$ 2,138,151	\$ 2,061,828
	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, 2022

	2022	2021	2020
Total pension liability			
Service cost	\$ 49,034	\$ 56,912	\$ 56,647
Interest	194,883	178,383	173,897
Differences between expected and actual experience	6,352	8,543	(32,568)
Changes of assumptions	-	91,535	-
Benefit payments	(146,792)	(133,151)	(129,885)
Net change in total pension liability	\$ 103,477	\$ 202,222	\$ 68,091
Total pension liability - beginning	2,911,511	2,709,289	2,641,198
Total pension liability - ending (a)	\$ 3,014,988	\$ 2,911,511	\$ 2,709,289
Plan fiduciary net position			
Contributions - employer	\$ 3,780	\$ 4,750	\$ 5,886
Contributions - employee	29,515	30,669	31,066
Net investment income	(2,217)	781,309	55,438
Benefit payments	(146,792)	(133,151)	(129,885)
Administrator charges	(2,243)	(1,988)	(1,932)
Other	81	73	(65)
Net change in plan fiduciary net position	\$ (117,876)	\$ 681,662	\$ (39,492)
Plan fiduciary net position - beginning	3,566,650	2,884,988	2,924,480
Plan fiduciary net position - ending (b)	\$ 3,448,774	\$ 3,566,650	\$ 2,884,988
School Board's net pension liability (asset) - ending (a) - (b)	\$ (433,786)	\$ (655,139)	\$ (175,699)
Plan fiduciary net position as a percentage of the total pension liability	114.39%	122.50%	106.49%
Covered payroll	\$ 669,092	\$ 677,275	\$ 685,240
School Board's net pension liability (asset) as a percentage of covered payroll	-64.83%	-96.73%	-25.64%

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

Exhibit 12

2019	2018	2017	2016	2015	2014
\$ 53,116	\$ 55,480	\$ 57,634	\$ 59,924	\$ 61,333	\$ 66,261
166,402	162,172	158,497	155,869	152,679	143,318
36,870	(30,275)	19,797	(69,531)	(70,799)	-
70,479	-	(69,565)	-	-	-
(125,692)	(128,200)	(99,528)	(117,897)	(77,403)	(74,286)
\$ 201,175	\$ 59,177	\$ 66,835	\$ 28,365	\$ 65,810	\$ 135,293
2,440,023	2,380,846	2,314,011	2,285,646	2,219,836	2,084,543
<u>\$ 2,641,198</u>	<u>\$ 2,440,023</u>	<u>\$ 2,380,846</u>	<u>\$ 2,314,011</u>	<u>\$ 2,285,646</u>	<u>\$ 2,219,836</u>
\$ 6,087	\$ 9,888	\$ 11,017	\$ 39,362	\$ 38,525	\$ 37,671
29,121	29,353	30,300	31,397	30,884	30,980
185,892	199,084	300,235	43,532	109,677	326,923
(125,692)	(128,200)	(99,528)	(117,897)	(77,403)	(74,286)
(1,892)	(1,759)	(1,756)	(1,566)	(1,488)	(1,750)
(117)	(176)	(266)	(18)	(24)	18
\$ 93,399	\$ 108,190	\$ 240,002	\$ (5,190)	\$ 100,171	\$ 319,556
2,831,081	2,722,891	2,482,889	2,488,079	2,387,908	2,068,352
<u>\$ 2,924,480</u>	<u>\$ 2,831,081</u>	<u>\$ 2,722,891</u>	<u>\$ 2,482,889</u>	<u>\$ 2,488,079</u>	<u>\$ 2,387,908</u>
\$ (283,282)	\$ (391,058)	\$ (342,045)	\$ (168,878)	\$ (202,433)	\$ (168,072)
110.73%	116.03%	114.37%	107.30%	108.86%	107.57%
\$ 637,701	\$ 641,120	\$ 647,223	\$ 658,317	\$ 631,847	\$ 619,571
-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, 2022

Date	Employer's Proportion of the Net Pension Liability (Asset)	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 (6)
(1)	(2)	(3)	(4)	(5)	(6)
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%

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

County of Lunenburg, Virginia
Schedule of Employer Contributions - Pension Plans
For the Years Ended June 30, 2014 through June 30, 2023

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)	
Primary Government					
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%
2014	289,687	202,884	86,803	2,061,828	9.84%
Component Unit School Board (nonprofessional)					
2023	\$ (8,688)	\$ (8,688)	\$ -	\$ 714,275	-1.22%
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%
2014	42,317	37,670	4,647	619,571	6.08%
Component Unit School Board (professional)					
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%
2014	893,115	893,115	-	7,714,430	11.58%

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

Contributions are from Virginia Retirement System records.

County of Lunenburg, Virginia
Notes to Required Supplementary Information - Pension Plans
For the Year Ended June 30, 2023

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

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

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

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

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, 2022

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Primary Government:					
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):					
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):					
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, 2014 through June 30, 2023

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
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%
2014	9,964	9,964	-	2,075,757	0.48%
Component Unit School Board (nonprofessional)					
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%
2014	2,974	2,974	-	619,571	0.48%
Component Unit School Board (professional)					
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%
2014	37,029	37,029	-	7,714,430	0.48%

County of Lunenburg, Virginia
Notes to Required Supplementary Information
Group Life Insurance (GLI) Plan
For the Year Ended June 30, 2023

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

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

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 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, 2022

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 Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability
(1)	(2)	(3)	(4)	(5)	(6)
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, 2014 through June 30, 2023

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2023	\$ 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%
2014	85,630	85,630	-	7,714,430	1.11%

County of Lunenburg, Virginia
Notes to Required Supplementary Information
Teacher Employee Health Insurance Credit (HIC) Plan
For the Year Ended June 30, 2023

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

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

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, 2022

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

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

County of Lunenburg, Virginia
Schedule of Employer Contributions
Health Insurance Credit (HIC) Plan
For the Year Ended June 30, 2023

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Component Unit School Board (Nonprofessional)					
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, 2023

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

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

Non-Largest Ten Locality Employers - General Employees

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

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, 2023

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 41,967	\$ 54,313	\$ 34,328	\$ 40,475	\$ 33,161	\$ 38,403
Interest	32,297	20,988	27,071	37,777	33,186	29,742
Changes in assumptions	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	(23,378)	(18,165)	(13,338)	(26,784)	(20,037)	(22,589)
Net change in total OPEB liability	\$ (33,092)	\$ (44,449)	\$ (270,862)	\$ 145,091	\$ 212,622	\$ 16,955
Total OPEB liability - beginning	881,937	926,386	1,197,248	1,052,157	839,535	822,580
Total OPEB liability - ending	\$ 848,845	\$ 881,937	\$ 926,386	\$ 1,197,248	\$ 1,052,157	\$ 839,535
 Covered payroll	 \$ 10,907,713	 \$ 9,449,070	 \$ 9,449,070	 \$ 8,879,040	 \$ 8,879,040	 \$ 8,177,100
 School's total OPEB liability (asset) as a percentage of covered payroll	 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, 2023

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

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal
Discount Rate	3.65% as of June 30, 2023; 3.54% as of June 30, 2022
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, 2023

	<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>
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 400,000	\$ 400,000
Intergovernmental:				
Federal	143,000	143,000	143,225	225
Total revenues	<u>\$ 143,000</u>	<u>\$ 143,000</u>	<u>\$ 543,225</u>	<u>\$ 400,225</u>
EXPENDITURES				
Current:				
Public safety	\$ -	\$ -	\$ 50,000	\$ (50,000)
Debt service:				
Principal retirement	1,290,077	1,290,077	1,211,865	78,212
Interest and other fiscal charges	359,823	359,823	438,199	(78,376)
Total expenditures	<u>\$ 1,649,900</u>	<u>\$ 1,649,900</u>	<u>\$ 1,700,064</u>	<u>\$ (50,164)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,506,900)</u>	<u>\$ (1,506,900)</u>	<u>\$ (1,156,839)</u>	<u>\$ 350,061</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 1,506,900	\$ 1,506,900	\$ 1,556,839	\$ 49,939
Total other financing sources (uses)	<u>\$ 1,506,900</u>	<u>\$ 1,506,900</u>	<u>\$ 1,556,839</u>	<u>\$ 49,939</u>
Net change in fund balances	\$ -	\$ -	\$ 400,000	\$ 400,000
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>

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, 2023

	<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>
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 109,342	\$ 109,342
Intergovernmental revenues:				
Commonwealth	-	-	1,439,108	1,439,108
Total revenues	\$ -	\$ -	\$ 1,548,450	\$ 1,548,450
EXPENDITURES				
Capital projects	\$ 2,500,000	\$ 2,500,000	\$ 1,638,369	\$ 861,631
Excess (deficiency) of revenues over (under) expenditures	\$ (2,500,000)	\$ (2,500,000)	\$ (89,919)	\$ 2,410,081
Net change in fund balances	\$ (2,500,000)	\$ (2,500,000)	\$ (89,919)	\$ 2,410,081
Fund balances - beginning	2,500,000	2,500,000	3,318,819	818,819
Fund balances - ending	\$ -	\$ -	\$ 3,228,900	\$ 3,228,900

County of Lunenburg, Virginia
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	<u>Custodial Funds</u>		
	<u>Special Welfare</u>	<u>Cell Tower Escrow</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ <u>5,751</u>	\$ <u>30,914</u>	\$ <u>36,665</u>
LIABILITIES			
Accounts payable	\$ <u>-</u>	\$ <u>2,500</u>	\$ <u>2,500</u>
NET POSITION			
Restricted:			
Individuals	\$ <u>5,751</u>	\$ <u>-</u>	\$ <u>5,751</u>
Others	\$ <u>-</u>	\$ <u>25,914</u>	\$ <u>25,914</u>
Total net position	\$ <u><u>5,751</u></u>	\$ <u><u>30,914</u></u>	\$ <u><u>31,665</u></u>

County of Lunenburg, Virginia
Combining Statement of Changes in Fiduciary Net Position - Fiduciary Funds
For the Year Ended June 30, 2023

	<u>Custodial Funds</u>		
	<u>Special Welfare</u>	<u>Cell Tower Escrow</u>	<u>Total</u>
Additions			
Miscellaneous	\$ <u>4,284</u>	\$ <u>-</u>	\$ <u>4,284</u>
Deductions			
Receipient payments	\$ <u>-</u>	\$ <u>2,500</u>	\$ <u>2,500</u>
Net increase (decrease) in fiduciary net position	\$ <u>4,284</u>	\$ <u>(2,500)</u>	\$ <u>1,784</u>
Net position - beginning	\$ <u>1,467</u>	\$ <u>30,914</u>	\$ <u>32,381</u>
Net position - ending	\$ <u><u>5,751</u></u>	\$ <u><u>28,414</u></u>	\$ <u><u>34,165</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, 2023

	School Operating Fund	School Special Revenue Fund	School Activity Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ 1,121,557	\$ 275,548	\$ 1,397,105
Due from primary government	1,837,929	-	-	1,837,929
Due from other governmental units	495,945	133,227	-	629,172
Total assets	<u>\$ 2,333,874</u>	<u>\$ 1,254,784</u>	<u>\$ 275,548</u>	<u>\$ 3,864,206</u>
LIABILITIES				
Liabilities:				
Accounts payable	\$ 2,333,874	\$ 75,836	\$ -	\$ 2,409,710
Total liabilities	<u>\$ 2,333,874</u>	<u>\$ 75,836</u>	<u>\$ -</u>	<u>\$ 2,409,710</u>
FUND BALANCES				
Assigned	\$ -	\$ 1,178,948	\$ 275,548	\$ 1,454,496
Total fund balances	<u>\$ -</u>	<u>\$ 1,178,948</u>	<u>\$ 275,548</u>	<u>\$ 1,454,496</u>
Total liabilities and fund balances	<u>\$ 2,333,874</u>	<u>\$ 1,254,784</u>	<u>\$ 275,548</u>	<u>\$ 3,864,206</u>
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:				
Total fund balances per above				\$ 1,454,496
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				
Capital assets, cost			\$ 20,778,289	
Accumulated depreciation			<u>(10,268,825)</u>	10,509,464
The net pension asset is not an available resource and, therefore, is not reported in the funds.				
				433,786
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.				
Pension related items			\$ 3,251,824	
OPEB related items			<u>549,466</u>	3,801,290
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			\$ (9,842,395)	
Net OPEB liabilities			<u>(2,797,262)</u>	(12,639,657)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.				
Pension related items			\$ (2,330,301)	
OPEB related items			<u>(639,713)</u>	(2,970,014)
Net position of governmental activities				<u>\$ 589,365</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, 2023

	School Operating Fund	School Special Revenue Fund	School Activity Fund	Total Governmental Funds
REVENUES				
Revenue from the use of money and property	\$ -	\$ 805	\$ -	\$ 805
Charges for services	-	93,208	-	93,208
Miscellaneous	623,769	-	331,719	955,488
Intergovernmental:				
Local government	4,881,722	-	-	4,881,722
Commonwealth	15,554,128	163,562	-	15,717,690
Federal	3,467,318	1,390,495	-	4,857,813
Total revenues	\$ 24,526,937	\$ 1,648,070	\$ 331,719	\$ 26,506,726
EXPENDITURES				
Current:				
Education	\$ 24,399,540	\$ 1,384,702	\$ 328,512	\$ 26,112,754
Excess (deficiency) of revenues over (under) expenditures	\$ 127,397	\$ 263,368	\$ 3,207	\$ 393,972
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 127,397	\$ -	\$ 127,397
Transfers out	(127,397)	-	-	(127,397)
Total other financing sources (uses)	\$ (127,397)	\$ 127,397	\$ -	\$ -
Net change in fund balances	\$ -	\$ 390,765	\$ 3,207	\$ 393,972
Fund balances - beginning	-	788,183	272,341	1,060,524
Fund balances - ending	\$ -	\$ 1,178,948	\$ 275,548	\$ 1,454,496

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

Net change in fund balances above \$ 393,972

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	\$ 5,045,465	
Transfer of joint tenancy assets	471,649	
Depreciation expense	<u>(941,637)</u>	4,575,477

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. (2,574,660)

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	\$ 1,648,634	
Change in OPEB related items	<u>91,114</u>	1,739,748

Change in net position of governmental activities \$ 4,134,537

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, 2023

	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	-	-	-	-
Miscellaneous	121,130	121,130	623,769	502,639
Intergovernmental:				
Local government	4,920,640	5,048,037	4,881,722	(166,315)
Commonwealth	16,941,090	17,540,750	15,554,128	(1,986,622)
Federal	4,373,084	4,655,096	3,467,318	(1,187,778)
Total revenues	\$ 26,355,944	\$ 27,365,013	\$ 24,526,937	\$ (2,838,076)
EXPENDITURES				
Current:				
Education	\$ 26,355,944	\$ 27,237,616	\$ 24,399,540	\$ 2,838,076
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 127,397	\$ 127,397	\$ -
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out		(127,397)	(127,397)	-
Total other financing sources (uses)	\$ -	\$ (127,397)	\$ (127,397)	-
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		
\$ -	\$ -	\$ 805	\$ 805
95,695	95,695	93,208	(2,487)
-	-	-	-
-	-	-	-
176,681	176,681	163,562	(13,119)
885,220	1,179,501	1,390,495	210,994
\$ 1,157,596	\$ 1,451,877	\$ 1,648,070	\$ 196,193
\$ 1,157,596	\$ 1,579,274	\$ 1,384,702	\$ 194,572
\$ -	\$ (127,397)	\$ 263,368	\$ 390,765
\$ -	\$ 127,397	\$ 127,397	\$ -
-	-	-	-
\$ -	\$ 127,397	\$ 127,397	\$ -
\$ -	\$ -	\$ 390,765	\$ 390,765
-	-	788,183	788,183
\$ -	\$ -	\$ 1,178,948	\$ 1,178,948

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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, 2023

ASSETS

Current assets:

Cash and cash equivalents	\$ 462,509
Inventory	80,000
Total current assets	<u>\$ 542,509</u>
Total assets	<u>\$ 542,509</u>

NET POSITION

Unrestricted	\$ 542,509
Total net position	<u><u>\$ 542,509</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, 2023

OPERATING EXPENSES

Other charges	\$ 1,449
Tax incentives	62,882
Total operating expenses	<u>\$ 64,331</u>
Operating income (loss)	<u>\$ (64,331)</u>

NONOPERATING REVENUES (EXPENSES)

Economic development incentives	\$ 62,882
Interest income	703
Total nonoperating revenues (expenses)	<u>\$ 63,585</u>
Change in net position	\$ (746)
Net position - beginning	543,255
Net position - ending	<u><u>\$ 542,509</u></u>

County of Lunenburg, Virginia
Statement of Cash Flows
Discretely Presented Component Unit - Industrial Development Authority
For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Other receipts (payments)	\$ (62,882)
Net cash provided by (used for) operating activities	<u>\$ (62,882)</u>

**CASH FLOWS FROM NONCAPITAL FINANCING
ACTIVITIES**

Economic development incentives	\$ 62,882
Net cash provided by (used for) noncapital financing activities	<u>\$ 62,882</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	\$ 703
Net cash provided by (used for) investing activities	<u>\$ 703</u>

Net increase (decrease) in cash and cash equivalents	\$ 703
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Cash and cash equivalents - beginning	461,806
Cash and cash equivalents - ending	<u><u>\$ 462,509</u></u>

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

Operating income (loss)	<u>\$ (64,331)</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
(Increase) decrease in prepaid expenses	\$ 1,449
(Increase) decrease in due from County of Lunenburg	79,437
Increase (decrease) in accounts payable	<u>(79,437)</u>
Total adjustments	<u>\$ 1,449</u>

Net cash provided (used) by operating activities	<u><u>\$ (62,882)</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, 2023

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>
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 3,525,000	\$ 3,525,000	\$ 3,612,800	\$ 87,800
Real and personal public service corporation taxes	260,000	260,000	223,941	(36,059)
Personal property taxes	2,585,000	2,585,000	3,008,471	423,471
Mobile home taxes	21,000	21,000	23,019	2,019
Machinery and tools taxes	275,000	275,000	372,702	97,702
Merchant's capital taxes	85,000	85,000	150,459	65,459
Penalties	55,000	55,000	102,280	47,280
Interest	35,000	35,000	48,956	13,956
Total general property taxes	<u>\$ 6,841,000</u>	<u>\$ 6,841,000</u>	<u>\$ 7,542,628</u>	<u>\$ 701,628</u>
Other local taxes:				
Local sales and use taxes	\$ 450,000	\$ 450,000	\$ 642,734	\$ 192,734
Utility taxes	170,000	170,000	181,425	11,425
Consumption tax	20,000	20,000	24,232	4,232
Motor vehicle licenses	215,000	215,000	218,920	3,920
Taxes on recordation and wills	58,500	58,500	96,672	38,172
Total other local taxes	<u>\$ 913,500</u>	<u>\$ 913,500</u>	<u>\$ 1,163,983</u>	<u>\$ 250,483</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 6,000	\$ 6,000	\$ 5,480	\$ (520)
Transfer fees	300	300	526	226
Permits and other licenses	40,900	40,900	46,296	5,396
Total permits, privilege fees, and regulatory licenses	<u>\$ 47,200</u>	<u>\$ 47,200</u>	<u>\$ 52,302</u>	<u>\$ 5,102</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 7,000	\$ 7,000	\$ 9,742	\$ 2,742
Total fines and forfeitures	<u>\$ 7,000</u>	<u>\$ 7,000</u>	<u>\$ 9,742</u>	<u>\$ 2,742</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 13,000	\$ 13,000	\$ 43,360	\$ 30,360
Revenue from use of property	31,700	31,700	31,733	33
Total revenue from use of money and property	<u>\$ 44,700</u>	<u>\$ 44,700</u>	<u>\$ 75,093</u>	<u>\$ 30,393</u>
Charges for services:				
Excess fees of clerk	\$ 7,000	\$ 7,000	\$ 8,061	\$ 1,061
Sheriff's fees	650	650	791	141
Courthouse security fees	10,000	10,000	17,387	7,387
Landfill fees	522,000	522,000	638,640	116,640
Charges for Commonwealth's Attorney	800	800	956	156
Charges for correction and detention	200	200	241	41
Document reproduction costs	2,000	2,000	1,699	(301)
Total charges for services	<u>\$ 542,650</u>	<u>\$ 542,650</u>	<u>\$ 667,775</u>	<u>\$ 125,125</u>

County of Lunenburg, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

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>
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous:				
Miscellaneous	\$ 25,000	\$ 25,000	\$ 943,356	\$ 918,356
Total miscellaneous	\$ 25,000	\$ 25,000	\$ 943,356	\$ 918,356
Recovered costs:				
Town of Victoria/Town of Kenbridge	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Total recovered costs	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Total revenue from local sources	\$ 8,426,050	\$ 8,426,050	\$ 10,454,879	\$ 2,028,829
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Communications tax	\$ 140,000	\$ 140,000	\$ 143,186	\$ 3,186
Games of skill tax	1,000	1,000	-	(1,000)
Mobile home titling tax	20,000	20,000	31,528	11,528
Rolling stock tax	4,000	4,000	4,765	765
Personal property tax relief funds	1,048,240	1,048,240	1,048,232	(8)
Total noncategorical aid	\$ 1,213,240	\$ 1,213,240	\$ 1,227,711	\$ 14,471
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 303,000	\$ 303,000	\$ 273,667	\$ (29,333)
Sheriff	850,000	850,000	836,950	(13,050)
Commissioner of revenue	101,000	101,000	118,102	17,102
Treasurer	112,000	112,000	114,391	2,391
Registrar/electoral board	57,000	57,000	66,084	9,084
Clerk of the Circuit Court	240,000	240,000	382,004	142,004
Total shared expenses	\$ 1,663,000	\$ 1,663,000	\$ 1,791,198	\$ 128,198
Other categorical aid:				
Public assistance and welfare administration	\$ 544,000	\$ 544,000	\$ 528,170	\$ (15,830)
Animal friendly plates	100	100	158	58
Auto rental	600	600	802	202
DMV ATV tax	500	500	2,132	1,632
Children's services act	865,000	865,000	850,232	(14,768)
School resource officer	-	-	126,131	126,131
Emergency medical services	13,500	13,500	12,303	(1,197)
Opioid settlement	-	-	26,232	26,232
Victim-witness grant	60,000	60,000	24,029	(35,971)
E-911 wireless	40,000	40,000	47,850	7,850

County of Lunenburg, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

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>
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid: (Continued)				
Litter control	\$ 10,000	\$ 10,000	\$ 12,839	\$ 2,839
Fire programs fund	41,000	41,000	36,470	(4,530)
Total other categorical aid	<u>\$ 1,574,700</u>	<u>\$ 1,574,700</u>	<u>\$ 1,667,348</u>	<u>\$ 92,648</u>
Total categorical aid	<u>\$ 3,237,700</u>	<u>\$ 3,237,700</u>	<u>\$ 3,458,546</u>	<u>\$ 220,846</u>
Total revenue from the Commonwealth	<u>\$ 4,450,940</u>	<u>\$ 4,450,940</u>	<u>\$ 4,686,257</u>	<u>\$ 235,317</u>
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 900,000	\$ 900,000	\$ 861,386	\$ (38,614)
Victim witness grant	15,000	15,000	46,930	31,930
LEMP grant	7,500	7,500	9,392	1,892
FEMA/Homeland Security grants	100,000	100,000	29,148	(70,852)
American Rescue Plan Act	1,184,465	1,184,465	998,884	(185,581)
Transportation safety grant	4,000	4,000	5,869	1,869
USDA vehicle grant	-	-	50,000	50,000
Total categorical aid	<u>\$ 2,210,965</u>	<u>\$ 2,210,965</u>	<u>\$ 2,001,609</u>	<u>\$ (209,356)</u>
Total revenue from the federal government	<u>\$ 2,210,965</u>	<u>\$ 2,210,965</u>	<u>\$ 2,001,609</u>	<u>\$ (209,356)</u>
Total General Fund	<u>\$ 15,087,955</u>	<u>\$ 15,087,955</u>	<u>\$ 17,142,745</u>	<u>\$ 2,054,790</u>
Special Revenue Fund:				
County Special Revenue Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 117	\$ 117
Lease income	-	-	5,044	5,044
Revenue from the use of property	12,400	12,400	2,926	(9,474)
Total revenue from use of money and property	<u>\$ 12,400</u>	<u>\$ 12,400</u>	<u>\$ 8,087</u>	<u>\$ (4,313)</u>
Charges for services:				
Law Library	\$ 1,000	\$ 1,000	\$ 814	\$ (186)
Total charges for services	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 814</u>	<u>\$ (186)</u>
Miscellaneous:				
Miscellaneous	\$ 3,800	\$ 3,800	\$ 1,060	\$ (2,740)
Total miscellaneous	<u>\$ 3,800</u>	<u>\$ 3,800</u>	<u>\$ 1,060</u>	<u>\$ (2,740)</u>
Total revenue from local sources	<u>\$ 17,200</u>	<u>\$ 17,200</u>	<u>\$ 9,961</u>	<u>\$ (7,239)</u>

County of Lunenburg, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

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>
Special Revenue Fund: (Continued)				
County Special Revenue Fund: (Continued)				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Aviation fees	\$ 25,000	\$ 25,000	\$ 4,544	\$ (20,456)
Tobacco funds	-	-	216,882	216,882
Forfeited assets	-	-	25,641	25,641
Economic redevelopment	-	-	48,200	48,200
Total categorical aid	\$ 25,000	\$ 25,000	\$ 295,267	\$ 270,267
Total revenue from the Commonwealth	\$ 25,000	\$ 25,000	\$ 295,267	\$ 270,267
Revenue from the federal government:				
Categorical aid:				
Forfeited assets	\$ -	\$ -	\$ 4,121	\$ 4,121
Total categorical aid	\$ -	\$ -	\$ 4,121	\$ 4,121
Total revenue from the federal government	\$ -	\$ -	\$ 4,121	\$ 4,121
Total County Special Revenue Fund	\$ 42,200	\$ 42,200	\$ 309,349	\$ 267,149
Debt Service Fund:				
County Debt Service Fund:				
Revenue from local sources:				
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 400,000	\$ 400,000
Total miscellaneous	\$ -	\$ -	\$ 400,000	\$ 400,000
Categorical aid:				
QZAB subsidy	\$ 143,000	\$ 143,000	\$ 143,225	\$ 225
Total categorical aid	\$ 143,000	\$ 143,000	\$ 143,225	\$ 225
Total revenue from the federal government	\$ 143,000	\$ 143,000	\$ 143,225	\$ 225
Total County Debt Service Fund	\$ 143,000	\$ 143,000	\$ 543,225	\$ 400,225
Capital Projects Fund:				
County Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 109,342	\$ 109,342
Total revenue from use of money and property	\$ -	\$ -	\$ 109,342	\$ 109,342
Total revenue from local sources	\$ -	\$ -	\$ 109,342	\$ 109,342
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School construction funds	\$ -	\$ -	\$ 1,439,108	\$ 1,439,108
Total categorical aid	\$ -	\$ -	\$ 1,439,108	\$ 1,439,108
Total revenue from the Commonwealth	\$ -	\$ -	\$ 1,439,108	\$ 1,439,108
Total County Capital Projects Fund	\$ -	\$ -	\$ 1,548,450	\$ 1,548,450
Total Primary Government	\$ 15,273,155	\$ 15,273,155	\$ 19,543,769	\$ 4,270,614

County of Lunenburg, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

Schedule 1
Page 5 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>
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Miscellaneous:				
Miscellaneous	\$ 121,130	\$ 121,130	\$ 623,769	\$ 502,639
Total miscellaneous	\$ 121,130	\$ 121,130	\$ 623,769	\$ 502,639
Total revenue from local sources	\$ 121,130	\$ 121,130	\$ 623,769	\$ 502,639
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Lunenburg, Virginia	\$ 4,920,640	\$ 5,048,037	\$ 4,881,722	\$ (166,315)
Total revenues from local governments	\$ 4,920,640	\$ 5,048,037	\$ 4,881,722	\$ (166,315)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,087,296	\$ 2,087,296	\$ 2,220,472	\$ 133,176
Basic school aid	6,680,825	6,680,825	6,247,214	(433,611)
Remedial summer education	83,794	83,794	64,789	(19,005)
Gifted and talented	61,831	61,831	60,631	(1,200)
Remedial education	330,512	330,512	324,100	(6,412)
Special education	454,174	454,174	449,961	(4,213)
GED funding	8,233	8,233	8,203	(30)
Vocational education	257,440	257,440	252,445	(4,995)
School fringes	1,261,343	1,261,343	1,236,872	(24,471)
CTE school equipment	-	-	3,308	3,308
Early reading intervention	132,659	132,659	88,440	(44,219)
Homebound	15,111	15,111	27,481	12,370
Vocational education - equipment	14,604	14,604	4,306	(10,298)
Workplace readiness	-	-	480	480
School security grant	-	169,600	169,600	-
At risk payments	1,267,420	1,267,420	1,241,758	(25,662)
Technology funds	154,000	154,000	154,000	-
Vision screening	-	3,136	3,136	-
Primary class size	383,612	383,612	392,406	8,794
Standards of Learning algebra readiness	41,991	41,991	36,521	(5,470)
Mentor teacher program	1,236	1,236	1,265	29
Preschool initiative	414,215	414,215	383,304	(30,911)
Project graduation	6,087	6,087	6,087	-
English as a second language	145,202	145,202	129,444	(15,758)
CTE industry credentials	-	-	2,850	2,850
Infrastructure - Lottery	458,342	458,342	445,352	(12,990)
Grow your own teacher	-	7,500	7,500	-
Teacher recruitment	-	10,000	10,000	-
Effective discipline	-	24,000	24,000	-
Compensation supplement	395,178	395,178	387,248	(7,930)
School construction	1,439,108	1,439,108	-	(1,439,108)
State miscellaneous	846,877	1,232,301	1,170,955	(61,346)
Total categorical aid	\$ 16,941,090	\$ 17,540,750	\$ 15,554,128	\$ (1,986,622)
Total revenue from the Commonwealth	\$ 16,941,090	\$ 17,540,750	\$ 15,554,128	\$ (1,986,622)

County of Lunenburg, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

Schedule 1
Page 6 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>
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 676,599	\$ 676,599	\$ 723,665	\$ 47,066
Vocational education	41,675	41,675	45,940	4,265
Title V-Rural	52,500	52,500	2,946	(49,554)
Title IV part A	43,173	43,173	38,923	(4,250)
Title VIB	478,969	478,969	267,141	(211,828)
Public health	-	80,000	80,000	-
Title III esl	13,869	13,869	14,388	519
Preschool special education	26,768	26,768	12,002	(14,766)
ESSER education stabilization	2,654,056	2,667,738	1,717,757	(949,981)
Title II, part a-teacher quality	85,386	85,386	76,137	(9,249)
American Rescue Plan Act	300,089	488,419	488,419	-
Total categorical aid	<u>\$ 4,373,084</u>	<u>\$ 4,655,096</u>	<u>\$ 3,467,318</u>	<u>\$ (1,187,778)</u>
Total revenue from the federal government	<u>\$ 4,373,084</u>	<u>\$ 4,655,096</u>	<u>\$ 3,467,318</u>	<u>\$ (1,187,778)</u>
Total School Operating Fund	<u>\$ 26,355,944</u>	<u>\$ 27,365,013</u>	<u>\$ 24,526,937</u>	<u>\$ (2,838,076)</u>
School Special Revenue Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 805	\$ 805
Total revenue from use of money and property	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 805</u>	<u>\$ 805</u>
Charges for services:				
Cafeteria sales	\$ 95,695	\$ 95,695	\$ 93,208	\$ (2,487)
Total charges for services	<u>\$ 95,695</u>	<u>\$ 95,695</u>	<u>\$ 93,208</u>	<u>\$ (2,487)</u>
Total revenue from local sources	<u>\$ 95,695</u>	<u>\$ 95,695</u>	<u>\$ 94,013</u>	<u>\$ (1,682)</u>
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 27,860	\$ 27,860	\$ 17,629	\$ (10,231)
Textbook payment	148,821	148,821	145,933	(2,888)
Total categorical aid	<u>\$ 176,681</u>	<u>\$ 176,681</u>	<u>\$ 163,562</u>	<u>\$ (13,119)</u>
Total revenue from the Commonwealth	<u>\$ 176,681</u>	<u>\$ 176,681</u>	<u>\$ 163,562</u>	<u>\$ (13,119)</u>

County of Lunenburg, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

Schedule 1
Page 7 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>
Discretely Presented Component Unit - School Board: (Continued)				
School Special Revenue Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 885,220	\$ 1,085,220	\$ 1,296,214	\$ 210,994
Commodities	-	94,281	94,281	-
Total categorical aid	\$ 885,220	\$ 1,179,501	\$ 1,390,495	\$ 210,994
Total revenue from the federal government	\$ 885,220	\$ 1,179,501	\$ 1,390,495	\$ 210,994
Total School Special Revenue Fund	\$ 1,157,596	\$ 1,451,877	\$ 1,648,070	\$ 196,193
School Activity Fund:				
Revenue from local sources:				
Miscellaneous:				
Other miscellaneous	\$ -	\$ -	\$ 331,719	\$ 331,719
Total miscellaneous	\$ -	\$ -	\$ 331,719	\$ 331,719
Total School Activity Fund	\$ -	\$ -	\$ 331,719	\$ 331,719
Total Discretely Presented Component Unit - School Board	\$ 27,513,540	\$ 28,816,890	\$ 26,506,726	\$ (2,310,164)

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County of Lunenburg, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

Schedule 2
Page 1 of 4

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 54,070	\$ 54,070	\$ 48,544	\$ 5,526
General and financial administration:				
County administrator	\$ 299,970	\$ 299,970	\$ 297,958	\$ 2,012
Professional services	115,000	115,000	131,299	(16,299)
Commissioner of revenue	246,860	246,860	249,975	(3,115)
Treasurer	263,440	263,440	260,770	2,670
Other general and financial administration	212,500	212,500	204,875	7,625
Total general and financial administration	\$ 1,137,770	\$ 1,137,770	\$ 1,144,877	\$ (7,107)
Board of elections:				
Electoral board and officials	\$ 61,900	\$ 61,900	\$ 55,790	\$ 6,110
Registrar	148,140	148,140	151,608	(3,468)
Total board of elections	\$ 210,040	\$ 210,040	\$ 207,398	\$ 2,642
Total general government administration	\$ 1,401,880	\$ 1,401,880	\$ 1,400,819	\$ 1,061
Judicial administration:				
Courts:				
Circuit court	\$ 13,400	\$ 13,400	\$ 1,012	\$ 12,388
General district court	2,600	2,600	2,692	(92)
Special Magistrates	1,325	1,325	1,595	(270)
Juvenile and domestic relations court	78,300	78,300	108,230	(29,930)
Victim witness	74,280	74,280	71,685	2,595
Courthouse security	21,600	21,600	17,606	3,994
Clerk of the circuit court	342,660	342,660	476,193	(133,533)
Total courts	\$ 534,165	\$ 534,165	\$ 679,013	\$ (144,848)
Commonwealth's attorney:				
Commonwealth's attorney	\$ 346,880	\$ 346,880	\$ 348,611	\$ (1,731)
Total commonwealth's attorney	\$ 346,880	\$ 346,880	\$ 348,611	\$ (1,731)
Total judicial administration	\$ 881,045	\$ 881,045	\$ 1,027,624	\$ (146,579)
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,368,500	\$ 1,368,500	\$ 1,456,323	\$ (87,823)
Total law enforcement and traffic control	\$ 1,368,500	\$ 1,368,500	\$ 1,456,323	\$ (87,823)
Fire and rescue services:				
Fire department	\$ 364,400	\$ 364,400	\$ 405,390	\$ (40,990)
Total fire and rescue services	\$ 364,400	\$ 364,400	\$ 405,390	\$ (40,990)
Correction and detention:				
Payments to Regional Jail	\$ 725,000	\$ 725,000	\$ 565,209	\$ 159,791
Total correction and detention	\$ 725,000	\$ 725,000	\$ 565,209	\$ 159,791

County of Lunenburg, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

Schedule 2
Page 2 of 4

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Public safety: (Continued)				
Inspections:				
Building	\$ 104,360	\$ 104,360	\$ 101,915	\$ 2,445
Total inspections	\$ 104,360	\$ 104,360	\$ 101,915	\$ 2,445
Other protection:				
Animal control	\$ 134,330	\$ 134,330	\$ 130,850	\$ 3,480
E-911	118,760	118,760	128,006	(9,246)
Medical examiner	200	200	220	(20)
Total other protection	\$ 253,290	\$ 253,290	\$ 259,076	\$ (5,786)
Total public safety	\$ 2,815,550	\$ 2,815,550	\$ 2,787,913	\$ 27,637
Public works:				
Sanitation and waste removal:				
Refuse collection	\$ 315,300	\$ 315,300	\$ 316,763	\$ (1,463)
Convenience sites	114,000	114,000	26,111	87,889
Total sanitation and waste removal	\$ 429,300	\$ 429,300	\$ 342,874	\$ 86,426
Maintenance of general buildings and grounds:				
General properties	\$ 245,090	\$ 245,090	\$ 234,685	\$ 10,405
Total maintenance of general buildings and grounds	\$ 245,090	\$ 245,090	\$ 234,685	\$ 10,405
Total public works	\$ 674,390	\$ 674,390	\$ 577,559	\$ 96,831
Health and welfare:				
Health:				
Supplement of local health department	\$ 95,500	\$ 95,500	\$ 86,324	\$ 9,176
Total health	\$ 95,500	\$ 95,500	\$ 86,324	\$ 9,176
Mental health and mental retardation:				
Crossroads Community Services Board	\$ 53,000	\$ 53,000	\$ 53,000	\$ -
Madeline's house	2,000	2,000	2,000	-
Total mental health and mental retardation	\$ 55,000	\$ 55,000	\$ 55,000	\$ -
Welfare:				
Public assistance and welfare administration	\$ 1,645,000	\$ 1,645,000	\$ 1,495,370	\$ 149,630
ARPA expenditures	2,084,465	2,084,465	949,229	1,135,236
Children's Services Act	1,179,000	1,179,000	1,170,910	8,090
Total welfare	\$ 4,908,465	\$ 4,908,465	\$ 3,615,509	\$ 1,292,956
Total health and welfare	\$ 5,058,965	\$ 5,058,965	\$ 3,756,833	\$ 1,302,132
Education:				
Other instructional costs:				
Contribution to County School Board	\$ 4,920,640	\$ 5,048,037	\$ 4,881,722	\$ 166,315
Total education	\$ 4,920,640	\$ 5,048,037	\$ 4,881,722	\$ 166,315

County of Lunenburg, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

Schedule 2
Page 3 of 4

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Community development:				
Planning and community development:				
Planning and community development	\$ 313,580	\$ 313,580	\$ 311,789	\$ 1,791
Economic development	85,890	85,890	85,385	505
Contribution to IDA - tax incentives	67,000	67,000	62,882	4,118
Total planning and community development	<u>\$ 466,470</u>	<u>\$ 466,470</u>	<u>\$ 460,056</u>	<u>\$ 6,414</u>
Cooperative extension program:				
Extension office	\$ 51,800	\$ 51,800	\$ 30,160	\$ 21,640
Total cooperative extension program	<u>\$ 51,800</u>	<u>\$ 51,800</u>	<u>\$ 30,160</u>	<u>\$ 21,640</u>
Total community development	<u>\$ 518,270</u>	<u>\$ 518,270</u>	<u>\$ 490,216</u>	<u>\$ 28,054</u>
Capital projects:				
Capital improvements	\$ 642,950	\$ 642,950	\$ 552,260	\$ 90,690
Total capital projects	<u>\$ 642,950</u>	<u>\$ 642,950</u>	<u>\$ 552,260</u>	<u>\$ 90,690</u>
Total General Fund	<u><u>\$ 16,913,690</u></u>	<u><u>\$ 17,041,087</u></u>	<u><u>\$ 15,474,946</u></u>	<u><u>\$ 1,566,141</u></u>
Special Revenue Fund:				
County Special Revenue Fund:				
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>
Total judicial administration	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 1,000</u>
Public Safety:				
Sheriff:				
Project lifesaver	\$ 800	\$ 800	\$ 6,937	\$ (6,137)
Asset forfeiture	-	-	1,363	(1,363)
Total Sheriff	<u>\$ 800</u>	<u>\$ 800</u>	<u>\$ 8,300</u>	<u>\$ (7,500)</u>
Total public safety	<u>\$ 800</u>	<u>\$ 800</u>	<u>\$ 8,300</u>	<u>\$ (7,500)</u>
Community Development:				
Airport	\$ 45,400	\$ 45,400	\$ 32,110	\$ 13,290
Site readiness	-	-	25,000	(25,000)
Broadband	-	-	191,882	(191,882)
Economic development	<u>2,400</u>	<u>2,400</u>	<u>41,918</u>	<u>(39,518)</u>
Total community development	<u>\$ 47,800</u>	<u>\$ 47,800</u>	<u>\$ 290,910</u>	<u>\$ (243,110)</u>
Total County Special Revenue Fund	<u><u>\$ 49,600</u></u>	<u><u>\$ 49,600</u></u>	<u><u>\$ 299,210</u></u>	<u><u>\$ (249,610)</u></u>

County of Lunenburg, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

Schedule 2
Page 4 of 4

<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>
County Debt Service Fund:				
Public safety:				
Correction and detention:				
Payments to Regional Jail				
Total correction and detention	\$ -	\$ -	\$ 50,000	\$ (50,000)
Total public safety	\$ -	\$ -	\$ 50,000	\$ (50,000)
Debt service:				
Principal retirement	\$ 1,290,077	\$ 1,290,077	\$ 1,211,865	\$ 78,212
Interest and other fiscal charges	359,823	359,823	438,199	(78,376)
Total debt service	\$ 1,649,900	\$ 1,649,900	\$ 1,650,064	\$ (164)
Total County Debt Service Fund	\$ 1,649,900	\$ 1,649,900	\$ 1,700,064	\$ (50,164)
Capital Projects Fund:				
County Capital Projects Fund:				
Capital projects expenditures:				
Various capital projects	\$ 2,500,000	\$ 2,500,000	\$ 1,638,369	\$ 861,631
Total capital projects	\$ 2,500,000	\$ 2,500,000	\$ 1,638,369	\$ 861,631
Total County Capital Projects Fund	\$ 2,500,000	\$ 2,500,000	\$ 1,638,369	\$ 861,631
Total Primary Government	\$ 21,113,190	\$ 21,240,587	\$ 19,112,589	\$ 2,127,998
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Instruction	\$ 17,135,393	\$ 17,830,647	\$ 17,639,490	\$ 191,157
Administration, health, and attendance	1,323,184	1,203,009	1,511,407	(308,398)
Pupil transportation	1,916,972	1,930,654	1,641,314	289,340
Operation and maintenance of school plant	5,980,395	6,273,306	3,607,329	2,665,977
Total education	\$ 26,355,944	\$ 27,237,616	\$ 24,399,540	\$ 2,838,076
School Special Revenue Fund:				
Education:				
Textbooks purchased	\$ 148,821	\$ 276,218	\$ 91,104	\$ 185,114
Administration of school food program	1,008,775	1,208,775	1,199,317	9,458
Commodities	-	94,281	94,281	-
Total school food services	\$ 1,157,596	\$ 1,579,274	\$ 1,384,702	\$ 194,572
Total education	\$ 1,157,596	\$ 1,579,274	\$ 1,384,702	\$ 194,572
Total School Special Revenue Fund	\$ 1,157,596	\$ 1,579,274	\$ 1,384,702	\$ 194,572
School Activity Fund:				
Education:				
Elementary and secondary schools	\$ -	\$ -	\$ 328,512	\$ (328,512)
Total education	\$ -	\$ -	\$ 328,512	\$ (328,512)
Total School Activity Fund	\$ -	\$ -	\$ 328,512	\$ (328,512)
Total Discretely Presented Component Unit - School Board	\$ 27,513,540	\$ 28,816,890	\$ 26,112,754	\$ 2,704,136

OTHER STATISTICAL INFORMATION

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

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare
2014	\$ 945,210	\$ 882,734	\$ 2,459,725	\$ 453,493	\$ 2,228,259
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

Table 1

Education	Parks, Recreation, and Cultural	Community Development	Interest on Long- Term Debt	Total
\$ 3,353,114	\$ 3,074	\$ 1,083,840	\$ 567,880	\$ 11,977,329
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

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
2014	\$	327,273	\$ 3,389,093	\$ 265,875
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

Table 2

GENERAL REVENUES					
General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	Total
\$ 5,438,422	\$ 891,323	\$ 78,350	\$ 316,297	\$ 1,296,880	\$ 12,003,513
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

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
2014	\$ 925,521	\$ 638,264	\$ 2,302,880	\$ 353,786	\$ 2,217,030
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

(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

Education (2)	Parks, Recreation, and Cultural	Community Development	Non- departmental	Debt Service	Total
\$ 15,623,242	\$ -	\$ 1,004,149	\$ -	\$ 1,611,422	\$ 24,676,294
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

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
2014	\$ 5,529,434	\$ 891,323	\$ 41,096	\$ 22,864	\$ 78,475
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

(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

Charges for Services	Miscellaneous	Recovered Costs	Inter- governmental (2)	Total
\$ 704,152	\$ 254,453	\$ 15,033	\$ 17,238,892	\$ 24,775,722
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

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	
				Tax Collections	%		Total Tax Collections	%	Delinquent Taxes	%	Delinquent Taxes	%
2014	\$ 6,607,245	\$ 6,303,703	95.41%	\$ 148,079		\$ 6,451,782	97.65%		\$ 581,286		8.80%	
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%	

(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
2014	\$ 854,073,900	\$ 84,582,007	\$ 15,757,159	\$ 6,553,264	\$ 44,843,992	-	\$ 1,005,810,322
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

(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
2014	\$ 0.38	\$ 3.60	\$ 1.80	\$ 1.20
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

(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 per Capita
					Net Bonded	Debt to Assessed Value	
2014	12,914	\$ 1,005,810,322	\$ 9,578,984	\$ 9,578,984	0.95%	\$	742
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	12,266	1,153,545,513	5,025,914	5,025,914	0.44%		410
2022	12,266	1,162,573,006	4,283,737	4,283,737	0.37%		349
2023	12,266	1,162,573,006	3,576,872	3,576,872	0.31%		292

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

(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.

COMPLIANCE

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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**

**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, 2023, 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 29, 2023.

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.

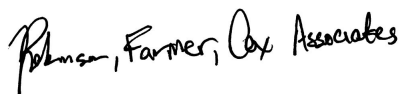
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 29, 2023



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**

**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, 2023. 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, 2023.

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.

Robinson, Farmer, Cox Associates

Richmond, Virginia
November 29, 2023

County of Lunenburg, Virginia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

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 Education:				
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Pubic Health Crisis Response	93.354	NU90TP922153	\$ 80,000	\$ -
Department of Social Services:				
Temporary Assistance for Needy Families	93.558	0400122/0400123	116,569	-
Guardianship Assistance	93.090	1110122/1110123	45	-
Title IV-E Prevention Services	93.472	1140122/1140123	1,783	-
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950121/0950122	2,000	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500122/0500123	542	-
Low Income Home Energy Assistance	93.568	0600422/0600423	24,426	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF Cluster)	93.596	0760122/0760123	27,580	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900121/0900122	190	-
Foster Care - Title IV-E	93.658	1100122/1100123	89,230	-
Adoption Assistance	93.659	1120122/1120123	172,516	-
Social Services Block Grant	93.667	1000122/1000123	100,011	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150121/9150122/ 9,152,121	4,932	-
Children's Health Insurance Program	93.767	0540122/0540123	911	-
Medical Assistance Program (Medicaid Cluster)	93.778	1200122/1200123	108,558	-
Total Department of Health and Human Services			\$ 729,293	\$ -
Department of Homeland Security:				
Pass Through Payments:				
Department of Emergency Services:				
Homeland Security Grant Program	97.067	775001-983132	\$ 29,148	\$ -
Disaster Grants - Public Assistance	97.036	776002-120355	5,567	-
Total Department of Homeland Security			\$ 34,715	\$ -
Department of Agriculture:				
Direct Payments:				
Community Facilities Loan and Grants	10.766	N/A	\$ 50,000	\$ -
Pass Through Payments:				
Child Nutrition Cluster:				
Department of Education:				
Summer Food Service Program for Children (Child Nutrition Cluster)	10.559	221N11994	\$ 5,092	\$ -
Department of Agriculture:				
Food Distribution (Child Nutrition Cluster)	10.555	Not available	\$ 94,281	\$ -
Department of Education:				
National School Lunch Program (Child Nutrition Cluster)	10.555	221N11994/22N89034/ 23N11994	942,740	-
Total FALN# 10.555			\$ 1,037,021	\$ -
Department of Education:				
School Breakfast Program (Child Nutrition Cluster)	10.553	22N11994/23N11994	\$ 337,076	\$ -
Total FALN# 10.553			\$ 337,076	\$ -
Total Child Nutrition Cluster			\$ 1,379,189	\$ -
Department of Education:				
COVID-19 Pandemic EBT Administrative Costs	10.649	22S900941	\$ 3,135	\$ -
Child and Adult Care Food Program	10.558	23N11994	8,172	-
Pass Through Payments:				
Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	0010122/0040122/ 0040123/0010123	\$ 212,093	\$ -
Total Department of Agriculture			\$ 1,652,589	\$ -

County of Lunenburg, Virginia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

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	\$ 995,186	\$ -
Pass Through payments:				
Virginia Tourism Corporation:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Tourism	21.027	Not available	3,697	-
Virginia Department of Education:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Schools	21.027	SLFRP1026	488,419	-
Total FALN# 21.027			<u>\$ 1,487,302</u>	<u>\$ -</u>
Total Department of Treasury			<u>\$ 1,487,302</u>	<u>\$ -</u>
Department of Justice:				
Direct payments:				
Forfeited assets	16.xxx	N/A	\$ 4,121	\$ -
Pass Through Payments:				
Department of Criminal Justice Service:				
Crime Victim Assistance	16.575	23-01465VW19	\$ 46,930	\$ -
		390002-120134/ 390002-		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	120571	3,825	-
Total Department of Justice			<u>\$ 54,876</u>	<u>\$ -</u>
Department of Transportation:				
Pass Through Payments:				
Department of Motor Vehicles:				
State and Community Highway Safety (Highway Safety Cluster)	20.600	60507-53000	\$ 5,869	\$ -
Total Department of Transportation			<u>\$ 5,869</u>	<u>\$ -</u>
Department of Education:				
Pass Through Payments:				
Department of Education:				
Title I Grants to Local Educational Agencies	84.010	S010A220046	\$ 723,665	\$ -
		H027A200107/ H207A210107/ H027A220107/ H027X210107	267,141	-
Special Education Grants to States (Special Education Cluster)	84.027	H173A210112/ H173A220112	12,002	-
Special Education Preschool Grants (Special Education Cluster)	84.173		<u>\$ 279,143</u>	<u>\$ -</u>
Total Special Education Cluster				
		V048A200046/ V048A210046/ V048A220046	45,940	-
Career and Technical Education - Basic Grants to States	84.048	S367A210044/ S367A220044	76,137	-
Supporting Effective Instruction State Grants	84.367	S358B210046	2,946	-
Rural Education	84.358	S365A210046/ S365A220046	14,388	-
English Language Acquisition Grants	84.365	S425D200008/ S425D210008	475,342	-
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	S425C200042/ S425C210042	16,715	-
COVID-19 Governor's Emergency Education Relief (GEER) Fund	84.425C			
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	S425U210008	1,225,700	-
Total FALN# 84.425			<u>\$ 1,717,757</u>	<u>\$ -</u>
		S424A210048/ S424A220048	38,923	-
Student Support and Academic Enrichment Program	84.424			
Total Department of Education			<u>\$ 2,898,899</u>	<u>\$ -</u>
Total Expenditures of Federal Awards			<u>\$ 6,863,543</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, 2023

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, 2023. 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	\$ 2,001,609
Special Revenue Funds	4,121
County Debt Service Fund	143,225
Total primary government	\$ 2,148,955

Component Unit School Board:

School Operating Fund	\$ 3,467,318
School Special Revenue Fund	1,390,495
Total component unit school board	\$ 4,857,813

Total federal expenditures per basic financial statements \$ 7,006,768

BAB's subsidy \$ (143,225)

Total federal expenditures per the Schedule of Expenditures of
Federal Awards \$ 6,863,543

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, 2023

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:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555/10.559	Child Nutrition Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds
84.425	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, 2023

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.