

COUNTY OF BRUNSWICK, VIRGINIA



FINANCIAL REPORT YEAR
ENDED JUNE 30, 2022

County of Brunswick, Virginia

Financial Report

For the Year Ended June 30, 2022

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COUNTY OF BRUNSWICK, VIRGINIA

Financial Report
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BOARD OF SUPERVISORS

Bernard L. Jones, Sr.	Dr. Alfonzo R. Seward, Chairperson	John W. Zubrod
Welton Tyler		Dr. Barbara Jarrett-Harris

COUNTY SOCIAL SERVICES BOARD

Bernard Jones	Jacqueline Tyler, Chairperson	Maurice Wesson
Benjamin Spence	Audrey Jarrett-Nelson	Wilhelmina Jones

COUNTY SCHOOL BOARD

Dr. Carolyn P. Jones	Dr. Elizabeth Burns, Chairman	Timothy Puryear
Tracie Seward		Roy Warwick

OTHER OFFICIALS

Chief Judge for 6th Judicial Circuit Court	W. Edward Tomko, III
Clerk of the Circuit Court	Jacqueline S. Morgan
Commonwealth's Attorney	Lezlie S. Green
Commissioner of the Revenue	Camilla Clayton-Bright
Treasurer	Jacqueline Mangrum
Sheriff	Brian K. Roberts
Superintendent of Schools	Dr. Kristy Somerville-Midgett
Director of Social Services	Rich Blankenship
County Administrator	Leslie R. Weddington
Chief Judge of the General District Court	Elbert D. Mumphery
Chief Judge of the Juvenile and Domestic Relations Court	Jacqueline R. Waymack
Clerk of the School Board	Amy Clary

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Independent Auditors' Report

**The Honorable Members of
The Board of Supervisors
County of Brunswick, 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 the County of Brunswick, Virginia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County of Brunswick, Virginia's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, 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 Brunswick, Virginia, as of and for the year ended June 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the school activity funds, which represent .57 percent, 2.00 percent, and .89 percent, respectively, of the assets, net position, and revenues of the component unit School Board as of June 30, 2022, and the respective changes in financial position thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for component unit School Board, are based solely on the report of the other auditors.

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 Brunswick, Virginia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principles

As described in Note 23 to the financial statements, in 2022, the County of Brunswick, Virginia adopted new accounting guidance, GASB Statement Nos. 87, *Leases*, and 92, *Omnibus*. Our opinions are not modified with respect to these matters.

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 Brunswick, 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 Brunswick, 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 Brunswick, 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 and other auditors 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 Brunswick, 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 by us and other auditors. In our opinion, the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections 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 August 9, 2023, on our consideration of County of Brunswick, 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 Brunswick, 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 Brunswick, Virginia's internal control over financial reporting and compliance.

Robinson, Fennell, Cox Associates

Richmond, Virginia
August 9, 2023

**COUNTY OF BRUNSWICK, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**To the Citizens of Brunswick, County
County of Brunswick, Virginia**

As management of County of Brunswick, 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, 2022.

Financial Highlights

Government-wide Financial Statements

- On a government-wide basis for governmental activities, the liabilities and deferred inflows of resources of the County exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$19,601,584 (net position), an increase of \$1,849,004 over the prior year.

Fund Financial Statements

In the Governmental Funds, on a current financial resource basis, expenditures and other financing uses exceeded revenues and other financing sources by \$55,683,844 (Exhibit 5) after making contributions totaling \$8,423,834 to the School Board.

- As of the close of the current fiscal year, the County's governmental funds reported ending fund balances of \$72,847,876 an increase of \$55,683,844 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$16,657,305 or 59% of total general fund expenditures.
- Combined long-term obligations for the governmental funds increased \$54,769,135 during the current fiscal year. Debt balances increased by \$55,192,540.

Overview of the Financial Statements

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

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

This report also contains required and 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 similar to a private-sector business.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Overview of the Financial Statements: (Continued)

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

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

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 administration, courts, police protection, sanitation, social services, education, cultural events, and recreation.

The Government-wide financial statements include not only County of Brunswick, Virginia itself (known as the primary government), but also a legally separate school district for which County of Brunswick, Virginia is financially accountable and a legally separate industrial development authority for which the County appoints a majority of its board members. Financial information for these 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. County of Brunswick, Virginia, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental and fiduciary funds.

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 following the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The County's major funds are the General Fund, the Virginia Public Assistance Fund, the Debt Service Fund, and the County Capital Improvements Fund.

Proprietary Funds - Proprietary Funds account for operations that are financed in a manner similar to private business enterprises. The Proprietary Funds utilize the accrual basis of accounting where the measurement focus is upon determination of net income, financial position, and changes in financial position. The County has no Proprietary Funds.

Fiduciary funds - The County is the trustee, or fiduciary, for the County's custodial funds. It is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's 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. Custodial funds are used to provide accountability of various monies for which the County is custodian.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Overview of the Financial Statements: (Continued)

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 statements and accompanying notes, this report also presents certain required supplementary information for budgetary comparison schedules, funding schedules for the Virginia Retirement System and other postemployment benefits. Other supplementary information presented includes various combining financial statements for the County's non-major funds and the discretely presented component unit - School Board, supporting schedules, and statistical information. The School Board does not issue separate financial statements. The Component Unit IDA's statements can be obtained by contacting the Authority's Executive Director, 116 West Hicks Street, Lawrenceville, VA 23868.

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's governmental activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$19,601,584 at the close of the most recent fiscal year.

Summary Statement of Net Position

	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
Current and other assets	\$ 84,995,092	\$ 31,624,272
Capital assets	<u>22,613,128</u>	<u>18,667,083</u>
Total assets	<u>\$ 107,608,220</u>	<u>\$ 50,291,355</u>
Deferred outflows of resources	<u>\$ 2,757,143</u>	<u>\$ 2,437,291</u>
Current liabilities	3,001,854	914,492
Long-term liabilities	<u>\$ 75,698,926</u>	<u>\$ 20,929,791</u>
Total liabilities	<u>\$ 78,700,780</u>	<u>\$ 21,844,283</u>
Deferred inflows of resources	<u>\$ 12,062,999</u>	<u>\$ 13,131,783</u>
Net position:		
Net investment in capital assets	\$ 7,161,866	\$ 10,316,055
Restricted	354,452	243,629
Unrestricted	<u>12,085,266</u>	<u>7,192,896</u>
Total net position	<u><u>\$ 19,601,584</u></u>	<u><u>\$ 17,752,580</u></u>

At the end of the current fiscal year, the County's net investment in capital assets was \$7,161,866. The County uses these capital assets to provide services to citizens: therefore, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Government-wide Financial Analysis: (Continued)

Governmental Activities - Governmental activities increased the County's net position by \$1,849,004.

Summary Statement of Change in Net Position

	Governmental Activities	
	2022	2021
Revenues:		
Program revenues:		
Charges for services	\$ 3,384,452	\$ 3,097,616
Operating grants and contributions	6,523,782	7,353,094
Capital grants and contributions	239,724	962,401
General revenues:		
General property taxes	19,726,462	16,390,648
Other local taxes	1,952,633	1,950,781
Grants and other contributions not restricted	1,808,797	1,807,419
Use of money and property	154,967	130,317
Miscellaneous	819,265	114,351
Total revenues	<u>\$ 34,610,082</u>	<u>\$ 31,806,627</u>
Expenses:		
General government administration	\$ 2,381,985	\$ 2,267,710
Judicial administration	1,992,778	1,981,344
Public safety	10,237,615	10,814,097
Public works	2,696,137	2,148,169
Health and welfare	3,360,532	3,100,748
Education	8,773,939	8,097,331
Parks, recreation, and cultural	515,069	432,164
Community development	1,596,228	1,113,599
Interest on long-term debt	1,206,795	672,560
Total expenses	<u>\$ 32,761,078</u>	<u>\$ 30,627,722</u>
Increase (decrease) in net position	<u>\$ 1,849,004</u>	<u>\$ 1,178,905</u>
Net position, July 1	\$ 17,752,580	\$ 16,564,136
GASB 84 restatement	-	9,539
Net position, July 1, restated	<u>\$ 17,752,580</u>	<u>\$ 16,573,675</u>
Net position, June 30	<u><u>\$ 19,601,584</u></u>	<u><u>\$ 17,752,580</u></u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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. In particular, unassigned fund balance may serve as a useful measure of a 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 \$72,847,876, an increase of \$55,683,844 from the prior year. The majority of the fund balance increase is attributable to the bond issuance for school construction. Approximately 23% of the total fund balance constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance is segregated to indicate that it is not available for new spending because it has already been committed or assigned.

General Fund Budgetary Highlights

During the year, revenues and other financing sources exceeded budgetary estimates by \$2,917,289. Budgetary estimates exceeded expenditures and other financing uses by \$633,535. The combination of the two resulted in a positive variance of \$3,550,824.

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental operations as of June 30, 2022 amounted to \$22,613,128 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, leased equipment, leased infrastructure, and machinery and equipment. The County's capital assets increased by \$2,904,300 during the current fiscal year, while accumulated depreciation increased by \$1,148,306, resulting in a net decrease of \$1,755,994.

Additional information on the County's capital assets can be found in note 7 of this report.

Long-term debt and other obligations - At the end of the current fiscal year, the County had total long-term debt and other obligations outstanding of \$75,698,926 for its governmental operations. Of this amount \$66,402,834 comprises obligations backed by the full faith and credit of the County. The remainder of the County's debt for governmental operations (\$9,296,092) represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

The County's total debt and other long-term obligations outstanding increased by \$52,579,084 during the current fiscal year. Required payments made on outstanding principal balances were offset by the changes in pension and OPEB liabilities. The County also issued general obligation bonds during the year. The 2022 tax-exempt bonds in the amount of \$53,500,000 and premium of \$2,829,734 were issued for the design and construction of a new school.

Additional information on County of Brunswick, Virginia's long-term debt can be found in Note 9 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the County is currently 4.2 percent, which is a decrease from a rate of 4.7 percent a year ago. This is slightly higher than the state's average unemployment rate of 2.8 percent and the national average rate of 3.5 percent.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the County's budget for the 2022 fiscal year.

The County's fiscal year 2023 budget amounted to \$85,957,357 (net of interfund transfers and transfers to the Component Unit School Board and does not include expenditures of the Component Unit School Board).

Requests for Information

This financial report is designed to provide a general overview of the County of Brunswick, 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, 228 North Main Street, P.O. Box 399, Lawrenceville, Virginia 23868.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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Statement of Net Position
June 30, 2022

	Primary Government	Component Units	
	Governmental Activities	School Board	IDA
ASSETS			
Cash and cash equivalents	\$ 17,309,924	\$ 849,542	\$ 2,130,032
Receivables (net of allowance for uncollectibles):			
Taxes receivable	9,550,689	-	-
Accounts receivable	511,434	25,480	-
Lease receivable, current portion	89,909	-	26,045
Interest receivable	134	-	-
Due from primary government	-	47,438	-
Due from other governmental units	819,219	2,107,920	-
Prepaid items	764,204	-	-
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	55,738,860	-	-
Other assets:			
Land and improvements held for sale	-	-	2,219,715
Investment in industrial assets	-	-	7,352,092
Leases receivable, noncurrent portion	210,719	-	35,332
Notes receivable	-	-	1,516,406
Net pension asset	-	858,856	57,970
Capital assets (net of accumulated depreciation):			
Land	4,268,265	25,822	13,194
Buildings and improvements	9,750,443	7,513,500	-
Machinery, equipment, and vehicles	3,398,426	1,530,258	19,094
Leased equipment	56,614	-	-
Leased infrastructure	2,064,331	-	-
Intangibles	108,701	-	-
Construction in progress	2,966,348	-	-
Total assets	\$ 107,608,220	\$ 12,958,816	\$ 13,369,880
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	\$ 360,996	\$ -	\$ -
Pension related items	2,106,014	3,007,314	21,835
OPEB related items	290,133	350,210	5,722
Total deferred outflows of resources	\$ 2,757,143	\$ 3,357,524	\$ 27,557
LIABILITIES			
Accounts payable	\$ 648,642	\$ 131,382	\$ 85,529
Accrued liabilities	-	1,046,317	-
Contracts payable	156,694	-	-
Escrow accounts	-	-	2,575
Accrued interest payable	659,754	-	-
Due to component unit	47,438	-	-
Unearned revenue	1,489,326	-	-
Long-term liabilities:			
Due within one year	2,324,856	10,148	-
Due in more than one year	73,374,070	10,282,197	8,965
Total liabilities	\$ 78,700,780	\$ 11,470,044	\$ 97,069
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue-property taxes	\$ 8,657,766	\$ -	\$ -
Lease related items	298,100	-	60,075
Pension related items	2,858,342	7,826,864	58,469
OPEB related items	248,791	701,093	5,008
Total deferred inflows of resources	\$ 12,062,999	\$ 8,527,957	\$ 123,552
NET POSITION (DEFICIT)			
Net investment in capital assets	\$ 7,161,866	\$ 9,069,580	\$ 7,384,380
Restricted:			
Anti-litter	514	-	-
Electronic summons	99,967	-	-
Emergency Services	88,314	-	-
Law library	24,824	-	-
Drug enforcement	66,620	-	-
Courthouse maintenance	64,133	-	-
Employee benefits - sheriff	10,080	-	-
School activity funds	-	73,546	-
Pension asset	-	858,856	57,970
Unrestricted (deficit)	12,085,266	(13,683,643)	5,734,466
Total net position (deficit)	\$ 19,601,584	\$ (3,681,661)	\$ 13,176,816

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

COUNTY OF BRUNSWICK, VIRGINIA

Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 2,381,985	\$ 161,945	\$ 841,710	\$ -
Judicial administration	1,992,778	2,405,988	748,852	-
Public safety	10,237,615	67,233	1,382,555	-
Public works	2,696,137	748,345	800,000	-
Health and welfare	3,360,532	-	2,533,204	-
Education	8,773,939	-	-	61,319
Parks, recreation, and cultural	515,069	-	13,348	-
Community development	1,596,228	941	204,113	178,405
Interest on long-term debt	1,206,795	-	-	-
Total governmental activities	\$ 32,761,078	\$ 3,384,452	\$ 6,523,782	\$ 239,724
COMPONENT UNITS:				
School Board	\$ 23,974,751	\$ 77,556	\$ 17,789,416	\$ -
Industrial Development Authority	981,685	151,350	793,251	-
Total component units	\$ 24,956,436	\$ 228,906	\$ 18,582,667	\$ -

General revenues:
 General property taxes
 Local sales and use tax
 Consumer's utility taxes
 Motor vehicle licenses
 Other local taxes
 Payment from County of Brunswick
 Unrestricted revenues from use of money and property
 Miscellaneous
 Grants and contributions not restricted to specific programs
 Total general revenues
 Change in net position
 Net position (deficit) - beginning
 Net position (deficit) - ending

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Position			
Primary Government		Component Units	
Governmental Activities	School Board	IDA	
\$ (1,378,330)			
1,162,062			
(8,787,827)			
(1,147,792)			
(827,328)			
(8,712,620)			
(501,721)			
(1,212,769)			
(1,206,795)			
<u>\$ (22,613,120)</u>			
	\$ (6,107,779)	\$ -	
	-	(37,084)	
	<u>\$ (6,107,779)</u>	<u>\$ (37,084)</u>	
\$ 19,726,462	\$ -	\$ -	
1,072,375	-	-	
257,247	-	-	
384,454	-	-	
238,557	-	-	
-	8,715,413	-	
154,967	2,350	6,863	
819,265	1,120,771	311,708	
1,808,797	-	-	
<u>\$ 24,462,124</u>	<u>\$ 9,838,534</u>	<u>\$ 318,571</u>	
1,849,004	3,730,755	281,487	
17,752,580	(7,412,416)	12,895,329	
<u>\$ 19,601,584</u>	<u>\$ (3,681,661)</u>	<u>\$ 13,176,816</u>	

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FUND FINANCIAL STATEMENTS

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Balance Sheet
 Governmental Funds
 June 30, 2022

	General	Virginia Public Assistance	School Debt Service	County Capital Improvements	Other Governmental Funds	Total
ASSETS						
Cash and cash equivalents	\$ 17,799,426	\$ -	\$ -	\$ -	\$ 46,464	\$ 17,845,890
Receivables (net of allowance for uncollectibles):						
Taxes receivable	9,550,689	-	-	-	-	9,550,689
Accounts receivable	511,434	-	-	-	-	511,434
Lease receivable	300,628	-	-	-	-	300,628
Interest receivable	134	-	-	-	-	134
Due from other funds	228,944	-	-	-	-	228,944
Due from other governmental units	482,837	180,209	-	77,346	78,827	819,219
Prepaid items	286,700	5,218	466,791	-	5,495	764,204
Restricted assets:						
Temporarily restricted:						
Cash and cash equivalents	-	-	-	55,738,860	-	55,738,860
Total assets	\$ 29,160,792	\$ 185,427	\$ 466,791	\$ 55,816,206	\$ 130,786	\$ 85,760,002
LIABILITIES						
Accounts payable	\$ 372,439	\$ 17,138	\$ -	\$ 203,994	\$ 55,071	\$ 648,642
Overdraft	-	-	535,966	-	-	535,966
Contracts payable	156,694	-	-	-	-	156,694
Unearned revenue	1,489,326	-	-	-	-	1,489,326
Due to other funds	-	168,289	-	-	60,655	228,944
Due to component unit	47,438	-	-	-	-	47,438
Total liabilities	\$ 2,065,897	\$ 185,427	\$ 535,966	\$ 203,994	\$ 115,726	\$ 3,107,010
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	\$ 9,507,016	\$ -	\$ -	\$ -	\$ -	\$ 9,507,016
Lease related items	298,100	-	-	-	-	298,100
Total deferred inflows of resources	9,805,116	-	-	-	-	9,805,116
FUND BALANCES						
Nonspendable:						
Prepaid items	\$ 286,700	\$ 5,218	\$ 466,791	\$ -	\$ 5,495	\$ 764,204
Restricted:						
Anti-litter	514	-	-	-	-	514
Electronic summons	99,967	-	-	-	-	99,967
Emergency Services	88,314	-	-	-	-	88,314
Law library	24,824	-	-	-	-	24,824
Drug enforcement	66,620	-	-	-	-	66,620
Courthouse maintenance	64,133	-	-	-	-	64,133
Employee benefits - sheriff	-	-	-	-	10,080	10,080
Assigned:						
DMV Select	1,402	-	-	-	-	1,402
Other capital projects	-	-	-	55,612,212	-	55,612,212
Unassigned:						
General fund	16,657,305	-	-	-	-	16,657,305
Special revenue funds	-	(5,218)	-	-	(515)	(5,733)
Debt service funds	-	-	(535,966)	-	-	(535,966)
Total fund balances	\$ 17,289,779	\$ -	\$ (69,175)	\$ 55,612,212	\$ 15,060	\$ 72,847,876
Total liabilities, deferred inflows of resources and fund balances	\$ 29,160,792	\$ 185,427	\$ 466,791	\$ 55,816,206	\$ 130,786	\$ 85,760,002

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

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2022

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	72,847,876	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Land	\$	4,268,265	
Construction in progress		2,966,348	
Buildings and improvements		9,750,443	
Machinery, equipment, and vehicles		3,398,426	
Leased equipment		56,614	
Leased infrastructure		2,064,331	
Intangibles		<u>108,701</u>	22,613,128
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.			
			849,250
The deferred charge on refunding is to be amortized as interest expense over the life of the debt.			
			360,996
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.			
Pension related items	\$	2,106,014	
OPEB related items		<u>290,133</u>	2,396,147
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
Lease revenue bonds	\$	(8,895,001)	
Plus: (Premium) discount on issuance		(401,092)	
General obligation bonds		(56,168,718)	
Plus: Premium on issuance		(2,841,918)	
Brodnax sewer capacity agreement		(113,568)	
Lease liabilities		(2,165,613)	
Compensated absences		(641,278)	
Landfill closure/postclosure liability		(674,107)	
Net OPEB liabilities		(1,205,074)	
Net pension liability		(2,592,557)	
Accrued interest payable		<u>(659,754)</u>	(76,358,680)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.			
Pension related items	\$	(2,858,342)	
OPEB related items		<u>(248,791)</u>	(3,107,133)
Net position of governmental activities	\$		<u><u>19,601,584</u></u>

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

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2022

REVENUES	General	Virginia Public Assistance	School Debt Service	County Capital Improvements	Other Govern- mental Funds	Total
General property taxes	\$ 17,329,023	\$ -	\$ -	\$ 2,274,107	\$ -	\$ 19,603,130
Other local taxes	1,952,633	-	-	-	-	1,952,633
Permits, privilege fees, and regulatory licenses	108,108	-	-	-	-	108,108
Fines and forfeitures	1,871,592	-	-	-	-	1,871,592
Revenue from the use of money and property	76,186	-	1	78,780	-	154,967
Charges for services	1,403,761	-	-	-	991	1,404,752
Miscellaneous	806,162	1,868	-	614	10,621	819,265
Recovered costs	368,098	-	-	-	-	368,098
Intergovernmental:						
Commonwealth	5,069,494	743,086	-	32,854	341,392	6,186,826
Federal	727,316	1,358,113	61,319	145,551	93,178	2,385,477
Total revenues	<u>\$ 29,712,373</u>	<u>\$ 2,103,067</u>	<u>\$ 61,320</u>	<u>\$ 2,531,906</u>	<u>\$ 446,182</u>	<u>\$ 34,854,848</u>
EXPENDITURES						
Current:						
General government administration	\$ 2,174,742	\$ -	\$ -	\$ -	\$ -	\$ 2,174,742
Judicial administration	1,970,561	-	-	-	-	1,970,561
Public safety	9,926,465	-	-	-	14,911	9,941,376
Public works	2,656,090	-	-	-	33,901	2,689,991
Health and welfare	240,162	2,554,896	-	-	589,372	3,384,430
Education	8,493,737	-	-	-	-	8,493,737
Parks, recreation, and cultural	421,465	-	-	-	-	421,465
Community development	1,385,616	-	-	-	-	1,385,616
Capital projects	12,389	-	-	3,232,099	-	3,244,488
Debt service:						
Principal retirement	624,553	-	492,543	-	-	1,117,096
Interest and other fiscal charges	329,174	-	163,235	-	-	492,409
Costs of issuance	-	-	-	226,206	-	226,206
Total expenditures	<u>\$ 28,234,954</u>	<u>\$ 2,554,896</u>	<u>\$ 655,778</u>	<u>\$ 3,458,305</u>	<u>\$ 638,184</u>	<u>\$ 35,542,117</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,477,419</u>	<u>\$ (451,829)</u>	<u>\$ (594,458)</u>	<u>\$ (926,399)</u>	<u>\$ (192,002)</u>	<u>\$ (687,269)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ -	\$ 451,829	\$ 594,458	\$ 87,345	\$ 189,687	\$ 1,323,319
Transfers out	(1,323,319)	-	-	-	-	(1,323,319)
Issuance of general obligation bonds	-	-	-	53,500,000	-	53,500,000
Premium (discount) on issuance of bonds	-	-	-	2,829,734	-	2,829,734
Lease proceeds	41,379	-	-	-	-	41,379
Total other financing sources (uses)	<u>\$ (1,281,940)</u>	<u>\$ 451,829</u>	<u>\$ 594,458</u>	<u>\$ 56,417,079</u>	<u>\$ 189,687</u>	<u>\$ 56,371,113</u>
Net change in fund balances	\$ 195,479	\$ -	\$ -	\$ 55,490,680	\$ (2,315)	\$ 55,683,844
Fund balances - beginning	17,094,300	-	(69,175)	121,532	17,375	17,164,032
Fund balances - ending	<u>\$ 17,289,779</u>	<u>\$ -</u>	<u>\$ (69,175)</u>	<u>\$ 55,612,212</u>	<u>\$ 15,060</u>	<u>\$ 72,847,876</u>

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

Reconciliation of Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2022

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

Net change in fund balances - total governmental funds \$ 55,683,844

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 the capital outlays exceeded depreciation in the current period.

Capital asset additions	\$ 3,458,207	
Depreciation	(1,410,634)	
Adjustment for jointly owned assets	(492,543)	
Depreciation adjustment for jointly owned assets	<u>200,964</u>	1,755,994

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The change in unavailable property taxes is reported as revenues in the governmental funds.

123,332

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

Amortization of premium (discount) on issuance	\$ 85,915	
Issuance of bonds	(53,500,000)	
Issuance premium	(2,829,734)	
Issuance of lease liabilities	(41,379)	
Principal retired on lease liabilities	65,817	
Principal retired on bonds	<u>1,051,279</u>	(55,168,102)

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.

Decrease (increase) in compensated absences	\$ 6,959	
Pension expense	94,931	
OPEB expense	(65,642)	
Decrease (increase) in landfill closure/postclosure care liability	(8,217)	
Amortization of deferred charge on refunding	(45,732)	
Decrease (increase) in accrued interest payable	<u>(528,363)</u>	<u>(546,064)</u>

Change in net position of governmental activities \$ 1,849,004

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

Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2022

	<u>Custodial Funds</u>
ASSETS	
<hr/>	
Cash and cash equivalents	\$ 49,341
Total assets	<u>\$ 49,341</u>
LIABILITIES	
<hr/>	
Escrow deposits payable	\$ 14,255
Due to other governmental units	99
Total liabilities	<u>\$ 14,354</u>
NET POSITION	
<hr/>	
Restricted for:	
Special welfare	\$ 26,487
Performance bond	8,500
Total net position	<u>\$ 34,987</u>

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

Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 For the Year Ended June 30, 2022

	<u>Custodial Funds</u>
ADDITIONS	
Special welfare collections	\$ 6,334
Sheriff fees	4,387
Total additions	<u>\$ 10,721</u>
DEDUCTIONS	
Welfare costs	\$ 10,143
Sheriff fees remitted to State	4,387
Total deductions	<u>\$ 14,530</u>
Net increase (decrease) in fiduciary net position	\$ (3,809)
Net position - beginning	<u>38,796</u>
Net position - ending	<u><u>\$ 34,987</u></u>

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

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements

As of June 30, 2022

Note 1-Summary of Significant Accounting Policies:

County of Brunswick, Virginia was formed in 1720 and is governed by an elected five-member Board of Supervisors. The Board of Supervisors is responsible for appointing the County Administrator. The County provides a full range of services for its citizens. These services include police and volunteer fire protection; sanitation services; recreational activities; cultural events; education and social services.

The financial statements of County of Brunswick, 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 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.

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. 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 general purpose 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 County of Brunswick, Virginia (the primary government) and its component units. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is both legally and substantively separate from the government.

C. Individual Component Unit Disclosures

Blended Component Unit. The County has no blended component units to be included for the fiscal year ended June 30, 2022.

The School Board members are elected by the citizens of Brunswick County and are responsible for the operations of the County's School System. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Fund does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2022.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

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

C. Individual Component Unit Disclosures: (Continued)

The Brunswick County Industrial Development Authority assists in promoting Brunswick County for Industrial Development. The Authority is comprised of members that are appointed by the County's Board of Supervisors. Accordingly, the Authority is considered a component unit of the County and is included as a discrete presentation in the County's financial report. A complete set of financial statements for the Industrial Development Authority is available from the Authority.

D. Other Related Organizations

Included in the County's Financial Report: None

Excluded from the County's Financial Report:

Jointly Governed Organizations

Jointly governed organizations are regional governments or other multi-governmental arrangements that are governed by representatives from each of the governments that create the organizations, and the participants do not retain an ongoing financial interest or responsibility in the organization.

The financial activities of the following organizations are excluded from the accompanying financial statements for the reasons indicated:

Meherrin Regional Library

The Meherrin Regional Library is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. The Counties of Brunswick, Greenville and the City of Emporia provide the financial support for the Library and appoint its governing Board, in which is vested the ability to execute contracts and to budget and expend funds. The County appoints five (5) of the ten (10) members of the Board. The County provided \$212,885 in operating funds to the Library in 2022.

Southside Community Services Board

The Board, created by resolution pursuant to state statute, is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. The County appoints two of the board members; however, the County cannot impose its will on the Board since it does not have the ability to modify or approve the budget or overrule or modify the decisions of the Board. The Board is fiscally independent and there is no financial benefit or burden relationship with the County. Therefore, it is not included in the County's financial statements. Brunswick County contributed \$80,475 as operating grants to the Southside Community Services Board for the fiscal year ended June 30, 2022.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

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

D. Other Related Organizations: (Continued)

Excluded from the County's Financial Report: (Continued)

Meherrin River Regional Jail Authority

The Authority, created by resolution pursuant to state statute, is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. The Counties of Brunswick, Dinwiddie, and Mecklenburg participate in the Authority. The County Administrator and Sheriff of each participating locality serve on the Authority; however, the Authority is fiscally independent and there is no financial benefit or burden relationship with the participating localities. Therefore, it is not included in the County's financial statements. The regional jail bills each participating locality a per diem rate based upon the number of inmates housed at the facility. The per diem rates include components for both operating and debt service expenses. Brunswick County paid \$2,697,622 to the Jail for the fiscal year ended June 30, 2022.

Obtaining of Financial Statements for Jointly Governed Organizations

Complete financial statements of the jointly governed organizations may be obtained by contacting the County of Brunswick, Virginia, County Administrator, P.O. Box 399, 228 North Main Street, Lawrenceville, VA 23868.

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.

E. Basis of Presentation - Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from enterprise funds. 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

F. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the County of Brunswick, Virginia's funds, including its fiduciary funds. Separate statements for each fund category - governmental and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

F. Basis of Presentation - Fund Financial Statements: (Continued)

During the course of operations, the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/out. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

G. 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 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.

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. Revenues from general purpose grants received on a reimbursement basis are recognized in the period to which the grant applies. 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 liabilities, as well as expenditures related to compensated absences, claims and judgments, postemployment benefits, and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the government the right to use lease assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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

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

Property taxes, sales 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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the County.

1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. The government reports the following governmental funds.

a. General Fund

The General Fund is the primary operating fund of the County. This fund is used to account for and report all financial 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 services, and interest income. A significant part of the General Fund's revenues are used principally to finance the operations of the Component Unit School Board. The General Fund is considered a major fund for reporting purposes.

b. Special Revenue Funds

The Special Revenue Funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The special revenue funds consist of the Virginia Public Assistance Fund, the Airport Commission Fund, the Sheriff's Employee Fund, and the Comprehensive Services Act Fund. The Virginia Public Assistance Fund is the only special revenue fund considered to be a major fund at June 30, 2022.

c. Capital Projects Fund

The Capital Projects Funds account for and report all financial resources that are restricted, committed, or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments. The county capital improvements fund is considered a major fund.

d. Debt Service Fund

The 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. The school debt service fund is considered a major fund.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

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

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

2. Fiduciary Funds (Trust and Custodial Funds)

Fiduciary Funds (Trust and Custodial Funds) account for assets held by the County in a trustee capacity or as custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds consisting of the special welfare fund, sheriff funds, and the bond escrow fund. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

3. Component Unit:

The Brunswick County School Board has the following funds:

Governmental Funds:

School Operating Fund - This fund is the primary operating fund of the School Board and accounts for and reports 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 Brunswick and state and federal grants. The School Operating Fund is considered a major fund of the School Board for financial reporting purposes.

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

School Cafeteria Fund - This fund accounts for the operations of the School Board's food service program. Financing is provided primarily by food and beverage sales and state and federal grants. This fund is considered a major fund.

School Activity Fund - This fund accounts for and reports funds collected at the schools in connection with student athletics, clubs, various fundraising activities, and private donations. This fund is considered a nonmajor fund.

Capital Projects Fund: Capital projects funds account for and report 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.

School Capital Projects Fund - This fund accounts for all financial resources used for the acquisition or construction of major capital needs. This fund is considered a major fund.

H. Program Revenues

Amounts reported as program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided or fines imposed by a given function or segment, and (2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

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

I. 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. Budgetary comparison information is included in the annual report, including the government's original budget and a comparison of final budget and actual results.

J. Budgets and Budgetary Accounting

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

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department level or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, Comprehensive Services Act Fund, VPA Fund, Airport Fund, the General Capital Projects Fund and the School Debt Service Fund of the primary government and the School Operating Fund, School Cafeteria Fund and School Capital Projects Fund of the School Board.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all county units.
8. All budgetary data presented in the accompanying financial statements is the original budget at June 30. Several supplemental appropriations were necessary during the year and at year end because they were not included in the original budget. Expenditures in the Health and Welfare and Debt Service functions of the General Fund, Debt Service Fund, and the Airport Fund exceeded appropriations at year-end.
9. The expenditure budget is enacted through an annual appropriations ordinance. Appropriations are made at the departmental level for the primary government and at the function level for the School Board. State law requires that if budget amendments exceed 1% of the original adopted budget the Board of Supervisors may legally amend the budget only by following the procedures used in the adoption of the original budget. There were budget amendments during the year that exceeded the 1% limitation, for which a public hearing was held to approve the purchase of property and a building. The Board of Supervisors must approve all appropriations and transfers of appropriated amounts.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

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

J. Budgets and Budgetary Accounting (Continued)

10. Expenditures did not exceed appropriations in any fund at June 30, 2022.

K. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition by the government.

L. Investments

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

M. 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 portion of interfund loans). All other outstanding balances between funds are reported as “advances to/from other funds.”

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$137,500 at June 30, 2022 and is comprised solely of property taxes.

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable December 5th. The County bills and collects its own property taxes.

N. Prepaid Items

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

O. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, 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.

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

O. Capital Assets (Continued)

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 assets (lease assets), the measurement of which is discussed in more detail below). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset’s capacity or efficiency or increases its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant equipment, lease assets, 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	20-40
Buildings	40
Buses	8
Intangibles	35-40
Leased equipment	2-5
Leased infrastructure	22
Office and computer equipment	5
Police vehicles	3
Vehicles	5

P. Leases

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

Lessee

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

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

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

P. Leases (Continued)

Lessor

The County recognizes leases receivable and deferred inflows of resources in the government-wide fund financial statements. At commencement of the lease, the lease receivable is measured at the present value of lease payments expected to be received during the lease term, reduced by the principal portion of lease payments received. The deferred inflow of resources is measured at the initial amount of the lease receivable, less lease payments received from the lessee at or before the commencement of the lease term (less any lease incentives).

Key Estimates and Judgments

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

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

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

Q. Compensated Absences

Vacation

The County's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Sick Leave

Accumulated sick leave lapses when employees leave the employ of the County and, upon separation from service, limited monetary obligation exists. Generally, sick leave payout is capped at 25% or \$5,000 for County employees and \$25 per day for 125 days for School Board employees.

An estimate of ten percent of the liability has been classified as current in the government-wide financial statements.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

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

R. Long-term Obligations

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

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

S. Fund Balance

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

- Nonspendable fund balance - amounts that are either not in spendable form (such as inventory and prepaids) or are legally or contractually required to be maintained intact (corpus of a permanent fund);
- 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;
- 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 generally the County’s policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

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

S. Fund Balance (Continued)

The Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance/resolution. 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 the 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) or other official to which the Board has delegated the authority to assign amounts including but limited to the County Administrator and the Director of Finance.

T. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

U. 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, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has multiple items that qualify for reporting in this category. One item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources, represents 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 and prepaid amounts and is deferred and recognized as an inflow of resources in the period that the amount becomes available. On the accrual basis, real estate taxes levied during the fiscal year but due after June 30th and prepaid amounts are reported as deferred inflows of resources. In addition, certain items related to pension, OPEB, and leases are reported as deferred inflows of resources. For more detailed information on the pension and OPEB related items, reference the related notes.

V. 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 net fiduciary 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.

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

W. 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, and Teacher HIC OPEB Plans and the additions to/deductions from the VRS OPEB Plans' net fiduciary 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.

X. Net Position

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

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

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

Y. Upcoming Pronouncements

Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability of Payment Arrangements*, addresses issues related to public-private and public-public partnership arrangements. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

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

Y. Upcoming Pronouncements (Continued)

Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

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.

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

Note 2-Deposits and Investments:

Deposits

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

Investments

Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper that has received at least two of the following ratings: P-1 by Moody’s Investors Service, Inc.; A-1 by Standard and 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).

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 2-Deposits and Investments: (Continued)

Custodial Credit Risk (Investments)

The County's investments at June 30, 2022 were held in the County's name by the County's custodial banks.

Credit Risk of Debt Securities

The County's policy stipulates that investments in prime quality institutions must be rated no lower than A-1 by Standard & Poor's Inc., no lower than AA by Moody's Investors Service, Inc., and no lower than Aa by Moody's. Investments in high quality corporate notes must be rated no lower than AA by Standard & Poor's and no lower than Aa by Moody's.

The County's and IDA's rated debt investments as of June 30, 2022 were rated by Standard & Poor's and/or an equivalent national rating organization and the ratings are presented below using the Standard & Poor's rating scale.

Rated Debt Investments' Values

Rated Debt Investments	Ratings
	AAAm
Governmental Activities:	
Local government investment pool	\$ 3,820
	AAAm
Component Unit Industrial Development Authority:	
Local government investment pool	\$ 391,247

Interest Rate Risk

The County's investment policy concerning interest rate risk stipulates that unless matched to a specific cash flow, the County will not directly invest in securities maturing more than five years from the date of purchase. Reserve funds may be invested in securities exceeding 5 years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of funds.

Investment Maturities (in years)

Investment Type	Value	Less Than 1 Year
Governmental Activities:		
Local government investment pool	\$ 3,820	\$ 3,820
Component Unit Industrial Development Authority:		
Local government investment pool	\$ 391,247	\$ 391,247

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 2-Deposits and Investments: (Continued)

External Investment Pool

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

Note 3-Property Taxes:

Real property taxes are assessed on property values as of January 1 and attach as an enforceable lien on property as of the date levied by the Board of Supervisors. Personal property taxes are assessed based on ownership as of January 1.

Real estate and personal property taxes are due on December 5.

A ten percent penalty is levied on all taxes not collected on or before their due date. An interest charge of ten percent per annum is also levied on such taxes beginning on their due date.

Property taxes for calendar year 2021 were levied by the County Board of Supervisors on June 16, 2021, on the assessed value listed as of January 1, 2021.

Property taxes levied in the prior year have been recorded as receivables as of the date the County has the legal right to receive payments thereon. The receivables collected during the fiscal year and during the first 60 days of the succeeding fiscal year are recognized as revenues in the current fiscal year. Taxes receivable as of the end of the year (June 30) and not collected until the succeeding year are reported as deferred inflows of resources.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 4-Receivables:

Receivables at June 30, 2022 consist of the following:

	Primary Government		Component Units	
	Governmental Activities		School Board	IDA
	General	Total		
Property taxes	\$ 9,688,189	\$ 9,688,189	\$ -	\$ -
Allowance for uncollectibles	(137,500)	(137,500)	-	-
Net taxes receivable	\$ 9,550,689	\$ 9,550,689	\$ -	\$ -
Accounts receivable:				
Landfill host fees	\$ 175,114	\$ 175,114	\$ -	\$ -
Landfill inspection costs	39,326	39,326	-	-
Utility and consumption taxes	24,492	24,492	-	-
Courthouse security	30,757	30,757	-	-
Court fines	151,647	151,647	-	-
Insurance proceeds	18,049	18,049	-	-
Recordation tax	11,303	11,303	-	-
Expenditure refunds	-	-	3,172	-
Electronic summons	6,507	6,507	-	-
Lease receivable	-	-	-	26,045
Other	54,239	54,239	22,308	-
Total accounts receivable	\$ 511,434	\$ 511,434	\$ 25,480	\$ 26,045
Notes receivable:				
Echo World Comm	\$ -	\$ -	\$ -	\$ 70,276
Tsvins, LLC	-	-	-	396,855
St. Paul's College property	-	-	-	750,000
Others	-	-	-	299,275
Total notes receivable	\$ -	\$ -	\$ -	\$ 1,516,406

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 5-Due from Other Governmental Units:

At June 30, 2022, the County had receivables from other governments as follows:

	Governmental Activities				Component Unit
	General	Special Revenue	Capital Projects	Total	School Board
Commonwealth of Virginia:					
Local sales taxes	\$ 191,501	\$ -	\$ -	\$ 191,501	\$ -
State sales taxes	-	-	-	-	442,542
Communication sales taxes	47,860	-	-	47,860	-
Public assistance	-	65,045	-	65,045	-
Comprehensive services	-	78,827	-	78,827	-
Shared expenses and grants	176,633	-	-	176,633	-
Wireless E911 revenues	14,384	-	-	14,384	-
Mobile home taxes	10,914	-	-	10,914	-
Victim witness	8,532	-	-	8,532	-
E-Rate	-	-	-	-	67,489
Other	13,103	-	-	13,103	-
Federal government:					
Victim witness	19,910	-	-	19,910	-
Public assistance	-	115,164	-	115,164	-
CDBG funds	-	-	77,346	77,346	-
Title I	-	-	-	-	182,170
Title II - Part A	-	-	-	-	12,155
Title VI-B	-	-	-	-	38,761
School improvement	-	-	-	-	1,272,227
Vocational education	-	-	-	-	25,411
Nutrition	-	-	-	-	17,818
Other	-	-	-	-	49,347
Total	\$ 482,837	\$ 259,036	\$ 77,346	\$ 819,219	\$ 2,107,920

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 6-Leases Receivable

The county leases building space to a tenant under a lease contract. In fiscal year 2022, the County recognized lease and interest revenue in the amount of \$66,265 and \$1,235, respectively. A description of the lease is as follows:

Lease Description	Start Date	End Date	Payment Frequency	Discount Rate	Receivable Balance	Amounts Owed Within One Year
Fiberbright Building Lease	October 2021	December 2025	Monthly	0.555%	\$ <u>300,628</u>	\$ <u>89,909</u>

There are no variable payment for the lease receivable above.

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 89,909	\$ 1,441	\$ 91,350
2024	92,241	936	93,177
2025	94,622	418	95,040
2026	<u>23,856</u>	<u>22</u>	<u>23,878</u>
Total	<u>\$ 300,628</u>	<u>\$ 2,817</u>	<u>\$ 303,445</u>

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 7-Capital Assets:

The following is a summary of changes in the capital assets during the year:

Primary Government:	Balance July 1, 2021	GASB 87 Adjust- ments	Adjusted Balance at July 1, 2021	Increases	Decreases	Balance June 30, 2022
Capital assets not being depreciated:						
Land	\$ 4,268,265	\$ -	\$ 4,268,265	\$ -	\$ -	\$ 4,268,265
Construction in Progress	-	-	-	2,966,348	-	2,966,348
Total capital assets not being depreciated	\$ 4,268,265	\$ -	\$ 4,268,265	\$ 2,966,348	\$ -	\$ 7,234,613
Other capital assets:						
Buildings and improvements	\$ 15,437,227	\$ -	\$ 15,437,227	\$ -	\$ -	\$ 15,437,227
Machinery, equipment and vehicles	10,381,905	-	10,381,905	450,480	61,364	10,771,021
Intangibles	344,214	-	344,214	-	-	344,214
Leased equipment	-	27,419	27,419	41,379	-	68,798
Leased infrastructure	-	2,162,632	2,162,632	-	-	2,162,632
Jointly owned assets	3,161,262	-	3,161,262	-	492,543	2,668,719
Total other capital assets	\$ 29,324,608	\$ 2,190,051	\$ 31,514,659	\$ 491,859	\$ 553,907	\$ 31,452,611
Accumulated depreciation:						
Buildings and improvements	\$ 6,804,636	\$ -	\$ 6,804,636	\$ 399,032	\$ -	\$ 7,203,668
Machinery, equipment and vehicles	6,626,869	-	6,626,869	807,090	61,364	7,372,595
Leased equipment	-	-	-	12,184	-	12,184
Leased infrastructure	-	-	-	98,301	-	98,301
Intangibles	226,454	-	226,454	9,059	-	235,513
Jointly owned assets	1,267,831	-	1,267,831	84,968	200,964	1,151,835
Total accumulated depreciation	\$ 14,925,790	\$ -	\$ 14,925,790	\$ 1,410,634	\$ 262,328	\$ 16,074,096
Other capital assets, net	\$ 14,398,818	\$ 2,190,051	\$ 16,588,869	\$ (918,775)	\$ 291,579	\$ 15,378,515
Net capital assets	\$ 18,667,083	\$ 2,190,051	\$ 20,857,134	\$ 2,047,573	\$ 291,579	\$ 22,613,128
Depreciation is allocated to:						
General government administration				\$ 269,984		
Judicial administration				34,916		
Public safety				748,332		
Public works				153,620		
Health and welfare				19,844		
Education				84,968		
Parks and recreation				92,225		
Community Development				6,745		
Total				\$ 1,410,634		

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 7-Capital Assets: (Continued)

Component Unit-School Board:

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Capital assets not being depreciated:				
Land	\$ 25,822	\$ -	\$ -	\$ 25,822
Total capital assets not being depreciated	\$ 25,822	\$ -	\$ -	\$ 25,822
Other capital assets:				
Buildings and improvements	\$ 11,726,494	\$ -	\$ -	\$ 11,726,494
Machinery, equipment and vehicles	5,369,046	1,147,071	111,240	6,404,877
Jointly owned assets	6,909,152	-	(492,543)	7,401,695
Total other capital assets	\$ 24,004,692	\$ 1,147,071	\$ (381,303)	\$ 25,533,066
Accumulated depreciation:				
Buildings and improvements	\$ 8,209,098	\$ 176,754	\$ -	\$ 8,385,852
Machinery, equipment and vehicles	4,496,501	489,358	111,240	4,874,619
Jointly owned assets	2,822,831	205,042	(200,964)	3,228,837
Total accumulated depreciation	\$ 15,528,430	\$ 871,154	\$ (89,724)	\$ 16,489,308
Other capital assets, net	\$ 8,476,262	\$ 275,917	\$ (291,579)	\$ 9,043,758
Net capital assets	\$ 8,502,084	\$ 275,917	\$ (291,579)	\$ 9,069,580
Depreciation is allocated to education		\$ 871,154		

1) Legislation enacted during the year ended June 30, 2002, Section 15.2-1800.1 of the Code of Virginia (1950), as amended, has changed the reporting of local capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments “on-behalf” of school boards was reported in the school board’s discrete column along with the related capital assets. Under the law, local governments have a “tenancy in common” with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the County of Brunswick, Virginia for the year ended June 30, 2022, is that school financed assets in the amount of \$1,516,884 net are reported in the Primary Government for financial reporting purposes.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 7-Capital Assets: (Continued)

Component Unit-Industrial Development Authority:

	<u>Balance July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2022</u>
Capital assets not being depreciated:				
Land	\$ 13,194	\$ -	\$ -	\$ 13,194
Other capital assets:				
Machinery, equipment and vehicles	\$ 49,434	\$ -	\$ -	\$ 49,434
Total other capital assets	\$ 49,434	\$ -	\$ -	\$ 49,434
Accumulated depreciation:				
Machinery, equipment and vehicles	\$ 25,566	\$ 4,774	\$ -	\$ 30,340
Total accumulated depreciation	\$ 25,566	\$ 4,774	\$ -	\$ 30,340
Other capital assets, net	\$ 23,868	\$ (4,774)	\$ -	\$ 19,094
Net capital assets	<u>\$ 37,062</u>	<u>\$ (4,774)</u>	<u>\$ -</u>	<u>\$ 32,288</u>
Depreciation is allocated to the Industrial Development Authority			<u>\$ 4,774</u>	

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 8-Unearned and Unavailable Revenue:

The government's unearned and unavailable revenue consist of the following at June 30, 2022:

	<u>Statement of Net Position Governmental Activities</u>	<u>Balance Sheet Governmental Funds</u>
Primary Government:		
Unearned revenue:		
This amount represents the amount of unspent CARES Act funding at year-end.	\$ 1,489,326	\$ 1,489,326
Unavailable property tax revenue:		
Unavailable revenue representing uncollected property tax billings for which asset recognition criteria has not been met. The uncollected tax billings are not available for the funding of current expenditures.	\$ -	\$ 849,250
Taxes levied during the fiscal year due in December 2022	8,608,815	8,608,815
Prepaid property taxes due in December 2022, but paid in advance by the taxpayers	48,951	48,951
Total deferred revenue/unavailable revenue	<u>\$ 8,657,766</u>	<u>\$ 9,507,016</u>

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 9-Long-Term Obligations:

The following is a summary of long-term obligation transactions for the County for the year ended June 30, 2022.

	Balance July 1, 2021	GASB 87 Adjust- ments	Adjusted Balance July 1, 2021	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2022
Primary Government:						
Bonds payable (direct borrowings and direct placements):						
Lease revenue bonds	\$ 9,445,001	\$ -	\$ 9,445,001	\$ -	\$ 550,000	\$ 8,895,001
Premium on issuance	491,362	-	491,362	-	81,287	410,075
Discount on issuance	(10,350)	-	-10,350	-	(1,366)	(8,984)
General obligation bonds:						
School	3,161,261	-	3,161,261	53,500,000	492,543	56,168,718
Premium on issuance	18,179	-	18,179	2,829,734	5,994	2,841,919
Total bonds payable	\$ 13,105,453	\$ -	\$ 13,105,453	\$ 56,329,734	\$ 1,128,458	\$ 68,306,729
Sewer capacity agreement	122,304	-	122,304	-	8,736	113,568
Lease liabilities	-	2,190,051	2,190,051	41,379	65,817	2,165,613
Compensated absences	648,236	-	648,236	57,866	64,824	641,278
Landfill closure/postclosure liability	665,890	-	665,890	8,217	-	674,107
Net OPEB liabilities	1,339,924	-	1,339,924	319,306	454,156	1,205,074
Net pension liability	5,047,984	-	5,047,984	4,132,713	6,588,140	2,592,557
Total obligations from governmental activities	\$ 20,929,791	\$ 2,190,051	\$ 23,119,842	\$ 60,889,215	\$ 8,310,131	\$ 75,698,926
Component Units:						
School Board						
Equipment loan - buses	\$ 80,192	\$ -	\$ 80,192	\$ -	\$ 80,192	\$ -
Compensated absences	89,678	-	89,678	20,772	8,968	101,482
Net OPEB liabilities	2,976,478	-	2,976,478	538,361	1,088,626	2,426,213
Net pension liability	15,568,399	-	15,568,399	2,997,947	10,801,696	7,764,650
Total payable from School Board	\$ 18,714,747	\$ -	\$ 18,714,747	\$ 3,557,080	\$ 11,979,482	\$ 10,292,345
Industrial Development Authority:						
Net OPEB liability	\$ 13,184	\$ -	\$ 13,184	\$ 7,605	\$ 11,824	\$ 8,965
Total obligations from component units	\$ 18,727,931	\$ -	\$ 18,727,931	\$ 3,564,685	\$ 11,991,306	\$ 10,301,310
Total long-term obligations	\$ 39,657,722	\$ 2,190,051	\$ 41,847,773	\$ 64,453,900	\$ 20,301,437	\$ 86,000,236

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 9-Long-Term Obligations: (Continued)

Primary Government:

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

Year Ending June 30,	Direct Borrowings and Placements		Sewer Agreement		Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 1,285,554	\$ 2,034,789	\$ 8,736	\$ -	\$ 66,439	\$ 36,691
2024	2,298,979	2,642,726	8,736	-	77,269	35,577
2025	2,337,044	2,554,777	8,736	-	76,695	34,333
2026	2,399,072	2,468,385	8,736	-	77,202	33,070
2027	2,471,145	2,377,185	8,736	-	70,533	31,811
2028-2032	11,304,496	10,473,593	43,680	-	416,670	138,780
2033-2037	9,698,035	7,986,975	26,208	-	541,243	97,524
2038-2042	10,019,119	6,285,094	-	-	690,117	44,466
2043-2047	12,022,192	4,135,050	-	-	149,445	1,407
2048-2052	14,471,093	1,501,436	-	-	-	-
Total	\$ <u>68,306,729</u>	\$ <u>42,460,010</u>	\$ <u>113,568</u>	\$ <u>-</u>	\$ <u>2,165,613</u>	\$ <u>453,659</u>

Note: The above includes long-term obligations, deferred charges and premiums. Compensated absences, pension, OPEB and landfill closure/postclosure liability are not included.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 9-Long-Term Obligations: (Continued)

Federal Arbitrage Regulations:

The County is in compliance with federal arbitrage regulations. Any arbitrage amounts that may be required to be paid are not material to the financial statements.

Pledged Collateral:

The County provided a security interest in the County Government Building as collateral for the 2020 tax-exempt lease. The County Government Building also secures the County's 2018 tax-exempt lease with VRA. The County also provided a security interest in the Albertis. H. Harrison Courthouse as collateral for the 2020 taxable lease. The Albertis. H. Harrison Courthouse also secures the County's 2018 taxable lease with VRA.

Events of Default:

Upon the occurrence and continuation of an Event of Default for lease revenue bonds, the entire unpaid amount due can be demanded and with a possibility of the lender taking possession of the associated real estate and improvements.

In the event of default for any general obligation bond, the Commonwealth of Virginia may withhold state aid from the locality until such time that the event of default is cured in accordance with Section 15.2-2659 of the Code of Virginia, 1950 as amended.

Moral Obligations:

If the Meherrin River Regional Jail Authority lacks sufficient funds to pay scheduled Debt Service on the Bonds and Notes, or to pay any debt service reserve funding requirements, the Authority will promptly notify the Member Jurisdictions of the amount of such insufficiency. Upon such notification, the Member Jurisdictions each agree to pay, subject to certain conditions, a portion of such deficit equal to its Debt Service Component percentage then in effect. Any such payment will be subject to the appropriation of funds by the governing body of each Member Jurisdiction and shall constitute a moral non-binding payment obligation. The obligations of the Members shall expire only upon the payment of the Bonds and Notes or such earlier date provided therefore, if any, in the documents under which the bonds and notes are issued. In no event shall the obligation of any Member Jurisdiction be deemed to constitute a debt within the meaning of the Constitution of Virginia.

The Member Moral Obligation of the County and other Member Jurisdictions was extended to payment of the Note on the same proportionate basis as such commitment was made to the VRA Bond and the Carter Bank Note. The balance of outstanding debt at June 30, 2022 was \$32,745,000.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 9-Long-Term Obligations: (Continued)

Details of Long-Term Obligations:

Type/ Project	Interest Rates	Issue Date	Principal Installments	Final Maturity Date	Amount of Original Issue	Balance Governmental Activities	Amount Due Within One Year
Primary Government:							
Lease revenue bonds:							
Direct Borrowings and Direct Placements:							
Old Courthouse Renovation Refunding	4.443%-5.125%	11/14/2018	Annual	10/1/2030	\$ 1,750,000	\$ 1,400,000	\$ 130,000
Unamortized premium on Issuance	n/a	n/a	n/a	n/a	245,552	134,057	26,872
Property Acquisition (Adirondack, Airport)	2.911%-4.404%	11/14/2018	Annual	10/1/2033	2,015,000	1,695,000	115,000
Unamortized discount on Issuance	n/a	n/a	n/a	n/a	(13,994)	(8,983)	(1,291)
Rt. 58 Infrastructure	.720%-5.121%	11/20/2013	Annual	10/1/2033	5,175,000	480,000	235,000
Taxable lease - refunding	.0561%-2.098%	11/18/2020	Annual	10/1/2033	3,760,000	3,760,000	-
Tax-exempt lease - refunding	2.143%-5.125%	11/18/2020	Annual	10/1/2032	1,645,000	1,560,000	110,000
Unamortized premium on Issuance	n/a	n/a	n/a	n/a	352,040	276,018	48,325
Total lease revenue bonds						\$ 9,296,092	\$ 663,906
General obligation school bonds:							
Direct Borrowings and Direct Placements:							
School bonds	3.10%-5.35%	11/6/2003	Annual	7/15/2023	\$ 1,388,892	\$ 174,627	\$ 85,987
Unamortized premium on Issuance	n/a	n/a	n/a	n/a	n/a	1,001	749
School bonds	4.225%-5.100%	11/9/2006	Annual	7/15/2016	6,009,753	1,764,092	336,549
Unamortized premium on Issuance	n/a	n/a	n/a	n/a	n/a	11,183	3,945
School bonds	4.25% *	12/1/2011	Annual	n/a	1,530,000	730,000	80,000
School bonds	3.550%-5.050%	5/17/2022	Annual	7/15/2051	53,500,000	53,500,000	900,000
Unamortized premium on Issuance	n/a	n/a	n/a	n/a	n/a	2,829,734	114,417
Net general obligation school bonds	* To be refunded by Federal Tax Credit					\$ 59,010,637	\$ 1,521,647
Other Obligations:							
Town of Broadnax sewer capacity agreem**	n/a	1997	Monthly	6/2035	344,214	\$ 113,568	\$ 8,736
	** To purchase 20,000 gpd of sewer capacity						
Alberta tower lease	1.733%	7/1/2021	Monthly	7/1/2043	772,740	754,041	17,891
Dixie Bridge tower lease	1.733%	7/1/2021	Monthly	7/1/2043	580,714	566,661	13,446
Edgerton tower lease	1.733%	7/1/2021	Monthly	7/1/2043	809,179	789,596	18,737
Copier lease - sheriff	2.29%	6/15/2022	Quarterly	6/15/2027	14,058	13,317	2,685
Equipment lease - administration	0.712%	12/6/2021	Quarterly	12/6/2026	13,829	11,764	2,737
Equipment lease - sheriff	0.411%	7/1/2021	Quarterly	5/1/2024	3,055	1,947	1,111
Copier lease - circuit court	0.687%	7/1/2021	Monthly	6/1/2026	6,771	5,411	1,368
Copier lease - commonwealth's attorney	0.687%	7/1/2021	Monthly	3/1/2026	8,799	6,936	1,874
Copier lease - finance	0.31%	7/1/2021	Monthly	10/1/2023	8,794	4,893	3,913
Copier lease - planning	0.687%	8/9/2021	Monthly	8/9/2026	13,492	11,047	2,677
Compensated absences	n/a	n/a	n/a	n/a	n/a	641,278	64,128
Landfill closure/postclosure liability	n/a	n/a	n/a	n/a	n/a	674,107	-
Net OPEB liabilities	n/a	n/a	n/a	n/a	n/a	1,205,074	-
Net pension liability	n/a	n/a	n/a	n/a	n/a	2,592,557	-
Total Other Obligations						\$ 7,392,197	\$ 139,303
Total long-term obligations, Primary Government						\$ 75,698,926	\$ 2,324,856
Component Unit School Board:							
Other Obligations:							
Compensated absences	n/a	n/a	n/a	n/a	n/a	101,482	10,148
Net OPEB liabilities	n/a	n/a	n/a	n/a	n/a	2,426,213	-
Net pension liability	n/a	n/a	n/a	n/a	n/a	7,764,650	-
Total long-term obligations, Component Unit School Board						\$ 10,292,345	\$ 10,148
Component Unit Industrial Development Authority:							
Other Obligations:							
Net OPEB liability						\$ 8,965	\$ -

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 10-Compensated Absences:

The County has accrued the liability arising from outstanding compensated absences.

County employees earn vacation and sick leave at various rates. See Note 9 for details of changes in compensated absences balances.

Note 11-Commitments and Contingencies:

Federal programs in which the County and discretely presented component units participate were audited in accordance with the provisions of Uniform Guidance. Pursuant to the provisions of Uniform Guidance, all major programs and certain other programs were tested for compliance with applicable grant requirements.

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

Note 12-Risk Management:

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County joined together with other local governments in Virginia to form the Virginia Association of Counties Risk Management Program, a public entity risk pool currently operating as a common risk management and insurance program for participating local governments. The County pays an annual premium to the association for its workers compensation insurance, and general liability insurance.

In the event of a loss deficit and depletion of all available excess insurance, the Association may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The County continues to carry commercial insurance for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 13-Litigation:

At June 30, 2022, there were no significant matters of litigation pending involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to the County.

Note 14-Brunswick County School Bus Drivers and School Bus Aides Employer Contribution 401(a) Plan:

The School Board contributed \$19,500 to a 401(a) plan on behalf of the County's school bus drivers. \$500 per driver and bus aide was contributed during fiscal year 2022. The County has the responsibility of a prudent investor in regard to the plan but is not liable for losses arising from the plan and thus the value of the plan assets is not recorded in the County's financial report.

Note 15-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 agent multiple-employer plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

Benefit Structures

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

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 - April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 15-Pension Plans: (Continued)

Average Final Compensation and Service Retirement Multiplier

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

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

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

Employees Covered by Benefit Terms

As of the June 30, 2020 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Primary Government</u>	<u>Component Unit School Board Nonprofessional</u>
Inactive members or their beneficiaries currently receiving benefits	89	44
Inactive members:		
Vested inactive members	14	3
Non-vested inactive members	33	11
Inactive members active elsewhere in VRS	52	6
Total inactive members	99	20
Active members	133	42
Total covered employees	<u>321</u>	<u>106</u>

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 15-Pension Plans: (Continued)

Contributions

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

The County's contractually required employer contribution rate for the year ended June 30, 2022 was 10.84% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

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 \$695,351 and \$650,024 for the years ended June 30, 2022 and June 30, 2021, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2022 was 2.08% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

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 \$16,878 and \$16,175 for the years ended June 30, 2022 and June 30, 2021, respectively.

Net Pension Liability (Asset)

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. The County's and Component Unit School Board's (nonprofessional) net pension liability and (asset) were measured as of June 30, 2021. The total pension liabilities used to calculate the net pension liability and (asset) were determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 15-Pension Plans: (Continued)

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, 2019, 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, 2020.

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 15-Pension Plans: (Continued)

Actuarial Assumptions - General Employees (Continued)

The actuarial assumptions used in the June 30, 2020 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

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, 2020, 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, 2021.

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

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 15-Pension Plans: (Continued)

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 2020 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

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 15-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:

<u>Asset Class (Strategy)</u>	<u>Long-Term Target Asset Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	<u>100.00%</u>		<u>4.89%</u>
		Inflation	<u>2.50%</u>
		Expected arithmetic nominal return*	<u>7.39%</u>

*The above allocation provides a one-year expected return of 7.39%. 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 6.94%, 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, 2021, the

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 15-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, 2017 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2021, 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, 2021 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability (Asset)

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2020	\$ 25,579,232	\$ 20,531,248	\$ 5,047,984
Changes for the year:			
Service cost	\$ 650,163	\$ -	\$ 650,163
Interest	1,689,810	-	1,689,810
Changes of assumptions	1,087,721	-	1,087,721
Differences between expected and actual experience	691,217	-	691,217
Contributions - employer	-	650,025	(650,025)
Contributions - employee	-	296,044	(296,044)
Net investment income	-	5,641,537	(5,641,537)
Benefit payments, including refunds of employee contributions	(1,090,011)	(1,090,011)	-
Administrative expenses	-	(13,802)	13,802
Other changes	-	534	(534)
Net changes	\$ 3,028,900	\$ 5,484,327	\$ (2,455,427)
Balances at June 30, 2021	\$ 28,608,132	\$ 26,015,575	\$ 2,592,557

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 15-Pension Plans: (Continued)

Changes in Net Pension Liability (Asset): (Continued)

	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, 2020	\$ 5,360,820	\$ 5,561,960	\$ (201,140)
Changes for the year:			
Service cost	\$ 126,871	\$ -	\$ 126,871
Interest	349,952	-	349,952
Changes of assumptions	188,418	-	188,418
Differences between expected and actual experience	234,672	-	234,672
Contributions - employer	-	17,367	(17,367)
Contributions - employee	-	51,674	(51,674)
Net investment income	-	1,492,339	(1,492,339)
Benefit payments, including refunds of employee contributions	(352,678)	(352,678)	-
Administrative expenses	-	(3,890)	3,890
Other changes	-	139	(139)
Net changes	\$ 547,235	\$ 1,204,951	\$ (657,716)
Balances at June 30, 2021	\$ 5,908,055	\$ 6,766,911	\$ (858,856)

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		
	Current		
	1% Decrease (5.75%)	Discount (6.75%)	1% Increase (7.75%)
County Net Pension Liability	\$ 6,622,290	\$ 2,592,557	\$ (711,954)
Component Unit School Board (nonprofessional) Net Pension Liability (Asset)	\$ (200,594)	\$ (858,856)	\$ (1,412,866)

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 15-Pension Plans: (Continued)

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

For the year ended June 30, 2022, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$600,421 and (\$12,541), respectively. At June 30, 2022, 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	\$ 543,254	\$ 44,118	\$ 139,277	\$ 12,579
Changes of assumptions	867,409	-	111,825	-
Net difference between projected and actual earnings on pension plan investments	-	2,814,224	-	737,249
Employer contributions subsequent to the measurement date	695,351	-	16,878	-
Total	\$ 2,106,014	\$ 2,858,342	\$ 267,980	\$ 749,828

\$695,351 and \$16,878 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2023. 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>	<u>Primary Government</u>	<u>Component Unit School Board (nonprofessional)</u>
2023	\$ (15,368)	\$ (13,004)
2024	(138,637)	(88,779)
2025	(441,478)	(171,621)
2026	(852,196)	(225,322)
Thereafter	-	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2021annual-report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 15-Pension Plans: (Continued)

Component Unit School Board (Professional)

Plan Description

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each School Division's contractually required employer contribution rate for the year ended June 30, 2022 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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 \$1,429,810 and \$1,414,941 for the years ended June 30, 2022 and June 30, 2020, respectively.

In June 2021, the Commonwealth made a special contribution of approximately \$61.3 million to the VRS Teacher Retirement Plan. This special payment was authorized by a budget amendment included in Chapter 552 of the 2021 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

At June 30, 2022, the school division reported a liability of \$7,764,650 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. 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, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the school division's proportion was 0.10002% as compared to 0.10700% at June 30, 2020.

For the year ended June 30, 2022, the school division recognized pension expense of (\$489,257). 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.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 15-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, 2022, 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	-	\$ 661,345
Change of assumptions	1,360,346	-
Net difference between projected and actual earnings on pension plan investments	-	4,893,075
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	1,522,616
Employer contributions subsequent to the measurement date	<u>1,378,988</u>	<u>-</u>
Total	<u>\$ 2,739,334</u>	<u>\$ 7,077,036</u>

\$1,378,988 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2023. 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>	
2023	\$ (1,557,121)
2024	(1,338,543)
2025	(1,257,852)
2026	(1,562,657)
2027	(517)

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 15-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, 2020, 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, 2021.

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-2020 Improvement Scale that is 75% of the MP-2020 rates

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 15-Pension Plans: (Continued)

Component Unit School Board (Professional) (Continued)

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2020 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, 2021, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total Pension Liability	\$ 53,381,141
Plan Fiduciary Net Position	<u>45,617,878</u>
Employers' Net Pension Liability	<u><u>\$ 7,763,263</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.46%

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 15-Pension Plans: (Continued)

Component Unit School Board (Professional) (Continued)

Net Pension Liability (Continued)

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

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

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

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

	<u>Rate</u>		
	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
	<u>(5.75%)</u>	<u>(6.75%)</u>	<u>(7.75%)</u>
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability	\$ 14,985,354	\$ 7,764,650	\$ 1,824,656

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan’s Fiduciary Net Position is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2021-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 15-Pension Plans: (Continued)

Primary Government and Component Unit School Board

Aggregate Pension Information

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net Pension Liability (Asset)</u>	<u>Pension Expense</u>
Primary Government:				
VRS Pension Plans	\$ 2,106,014	\$ 2,858,342	\$ 2,592,557	\$ 600,421
Component Unit School Board:				
VRS Pension Plans:				
School Board Nonprofessional	\$ 267,980	\$ 749,828	\$ (858,856)	\$ (12,541)
School Board Professional	2,739,334	7,077,036	7,764,650	(489,257)
Totals	<u>\$ 3,007,314</u>	<u>\$ 7,826,864</u>	<u>\$ 6,905,794</u>	<u>\$ (501,798)</u>

Note 16-Deferred Compensation Plan:

The County and School Board offer their employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits employees to defer the payment of a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred, including the investments and earnings thereon, vest with the employee and are not subject to the claims of the County's and School Board's general creditors.

Note 17-Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans:

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

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 17-Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans:

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Plan Description (Continued)

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

Eligible Employees

The GLI Plan was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the plan. Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,722 as of June 30, 2022.

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2022 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the County, Component Unit School Board (nonprofessional), and Component Unit School Board (professional) were \$36,545 and \$34,197, \$6,74 and \$5,952, and \$46,497 and \$47,633 for the years ended June 30, 2022 and June 30, 2021, respectively.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 17-Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

At June 30, 2022, the County, Component Unit School Board (nonprofessional), and Component Unit School Board (professional) reported a liability of \$357,085, \$62,172, and \$497,494, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2021 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, 2020, and rolled forward to the measurement date of June 30, 2021. 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, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the County's, Component Unit School Board (nonprofessional), and Component Unit School Board (professional) proportion was 0.03070%, 0.00530%, and 0.04270%, respectively as compared to 0.03014%, 0.00569%, and 0.04540% at June 30, 2020.

For the year ended June 30, 2022, the County, Component Unit School Board (nonprofessional), and Component Unit School Board (professional) recognized GLI OPEB expense of \$28,669, \$531, and (\$5,528, respectively. 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 BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 17-Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

At June 30, 2022, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Primary Government		
Differences between expected and actual experience	\$ 40,726	\$ 2,721
Net difference between projected and actual earnings on GLI OPEB plan investments	-	85,228
Change of assumptions	19,686	48,856
Changes in proportionate share	42,277	3,200
Employer contributions subsequent to the measurement date	36,545	-
Total	<u>\$ 139,234</u>	<u>\$ 140,005</u>
School Board - Nonprofessional		
Differences between expected and actual experience	\$ 7,091	\$ 474
Net difference between projected and actual earnings on GLI OPEB plan investments	-	14,839
Change of assumptions	3,428	8,506
Changes in proportionate share	2,064	9,137
Employer contributions subsequent to the measurement date	6,174	-
Total	<u>\$ 18,757</u>	<u>\$ 32,956</u>
School Board - Professional		
Differences between expected and actual experience	\$ 56,741	\$ 3,791
Net difference between projected and actual earnings on GLI OPEB plan investments	-	118,741
Change of assumptions	27,427	68,068
Changes in proportionate share	-	87,043
Employer contributions subsequent to the measurement date	46,497	-
Total	<u>\$ 130,665</u>	<u>\$ 277,643</u>

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 17-Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

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)

\$36,545, \$6,174 , and \$46,497 reported as deferred outflows of resources related to the GLI OPEB resulting from the County, Component Unit School Board (nonprofessional), and Component Unit School Board (professional)'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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>Primary Government</u>	<u>School Board (nonprofessional)</u>	<u>School Board (professional)</u>
2023	\$ (3,551)	\$ (5,079)	\$ (50,417)
2024	(948)	(4,389)	(44,401)
2025	(5,224)	(4,011)	(37,988)
2026	(23,766)	(5,293)	(46,951)
2027	(3,827)	(1,601)	(13,718)
Thereafter	-	-	-

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2020, 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, 2021. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

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

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 17-Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2020 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 BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 17-Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2020 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. 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 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 BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 17-Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 17-Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

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, 2020 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. 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, 2020, NOL amounts for the GLI Plan are follows (amounts expressed in thousands):

		GLI OPEB Plan
Total GLI OPEB Liability	\$	3,577,346
Plan Fiduciary Net Position		2,413,074
GLI Net OPEB Liability (Asset)	\$	<u>1,164,272</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		67.45%

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.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 17-Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

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 health insurance credit 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 Plan 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.

Note 17-Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2022 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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 \$104,096 and \$106,733 for the years ended June 30, 2022 and June 30, 2021, respectively.

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

At June 30, 2022, the school division reported a liability of \$1,280,232 for its proportionate share of the VRS Teacher Employee HIC Plan Net OPEB Liability. The Net VRS Teacher Employee HIC Plan OPEB Liability was measured as of June 30, 2021 and the total VRS Teacher Employee HIC Plan OPEB liability used to calculate the Net VRS Teacher Employee HIC Plan OPEB Liability was determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. The school division's proportion of the Net VRS Teacher Employee HIC Plan OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC Plan OPEB plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the school division's proportion of the VRS Teacher Employee HIC Plan was 0.09974% as compared to 0.10652% at June 30, 2020.

For the year ended June 30, 2022, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$59,870. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Plan Net OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 17-Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

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

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

At June 30, 2022, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC Plan OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$ 22,340
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	16,865
Change of assumptions	34,607	5,145
Changes in proportionate share	-	196,370
Employer contributions subsequent to the measurement date	<u>104,096</u>	<u>-</u>
Total	<u>\$ 138,703</u>	<u>\$ 240,720</u>

\$104,096 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, 2023. 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>	
2023	\$ (45,961)
2024	(46,152)
2025	(44,283)
2026	(36,281)
2027	(18,944)
Thereafter	(14,492)

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 17-Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

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

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, 2020, 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, 2021.

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

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 17-Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

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, 2020 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. 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, 2020, NOL amounts for the GLI Plan are follows (amounts expressed in thousands):

	GLI OPEB Plan
Total GLI OPEB Liability	\$ 3,577,346
Plan Fiduciary Net Position	2,413,074
GLI Net OPEB Liability (Asset)	<u>\$ 1,164,272</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	67.45%

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.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 17-Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (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%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.39%

*The above allocation provides a one-year return of 7.39%. 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 6.94%, 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 GLI and Teacher Employee HIC OPEB liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance 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. Through the fiscal year ended June 30, 2021, the rate contributed by the entity for the GLI OPEB and 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, 2021 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB’s

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 17-Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

Discount Rate (Continued)

and Teacher Employee HIC OPEB plan’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 and Teacher Employee HIC OPEB liability.

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

The following presents the employer’s proportionate share of the net OPEB liability using the discount rate of 6.75%, as well as what the employer’s proportionate share of the net 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:

Proportionate Share of GLI Plan Net OPEB Liability	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Primary Government	\$ 521,710	\$ 357,082	\$ 224,137
School Board (nonprofessional)	90,836	62,172	39,025
School Board (professional)	726,856	497,494	312,273

School division’s proportionate share of the VRS Teacher Employee HIC OPEB Plan Net OPEB Liability	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
	\$ 1,441,186	\$ 1,280,232	\$ 1,144,026

GLI and HIC Plans’ Fiduciary Net Position

Detailed information about the GLI and HIC Plans’ Fiduciary Net Position is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2021-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 18-Other Postemployment Benefits - Health Insurance Credit (HIC) 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 health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

The specific information about the Political Subdivision HIC Plan OPEB, including eligibility, coverage and benefits 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, 2020 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	15
Active members	42
Total covered employees	<u>57</u>

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 18-Other Postemployment Benefits - Health Insurance Credit (HIC) 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, 2022 was 0.56% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2020. 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 \$6,403 and \$6,173 for the years ended June 30, 2022 and June 30, 2021, respectively.

During the 2020 session, House Bill 1513 was enacted. This bill required the addition of Health Insurance Credit benefits for non-teacher employees effective July 1, 2021. While benefit payments became effective July 1, 2021, employers were required to pre-fund the benefits beginning July 1, 2020. The bill impacted 95 employers and resulted in approximately \$2.5 million of additional employer contributions in FY 2021.

Net HIC OPEB Liability

The School Board's net Health Insurance Credit OPEB liability was measured as of June 30, 2021. The total Health Insurance Credit OPEB liability was determined by an actuarial valuation performed as of June 30, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 18-Other Postemployment Benefits - Health Insurance Credit (HIC) Plan: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2020 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

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 18-Other Postemployment Benefits - Health Insurance Credit (HIC) 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:

<u>Asset Class (Strategy)</u>	<u>Long-term Target Asset Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	<u>100.00%</u>		<u>4.89%</u>
		Inflation	<u>2.50%</u>
		Expected arithmetic nominal return*	<u>7.39%</u>

*The above allocation provides a one-year return of 7.39%. 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 6.94%, 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, 2021, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2021 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 BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 18-Other Postemployment Benefits - Health Insurance Credit (HIC) Plan: (Continued)

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2020	\$ 106,680	\$ 52,507	\$ 54,173
Changes for the year:			
Service cost	\$ 1,872	\$ -	\$ 1,872
Interest	6,946	-	6,946
Differences between expected and actual experience	(603)	-	(603)
Changes of assumptions	2,160	-	2,160
Contributions - employer	-	6,173	(6,173)
Net investment income	-	13,661	(13,661)
Benefit payments	(7,552)	(7,552)	-
Administrative expenses	-	(158)	158
Net changes	\$ 2,823	\$ 12,124	\$ (9,301)
Balances at June 30, 2021	\$ 109,503	\$ 64,631	\$ 44,872

Sensitivity of the School Board's Health Insurance Credit Net OPEB Liability to Changes in the Discount Rate

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School Board's Net HIC OPEB Liability	\$ 55,469	\$ 44,872	\$ 35,743

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 18-Other Postemployment Benefits - Health Insurance Credit (HIC) 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, 2022, the School Board recognized HIC Plan OPEB expense of (\$1,284). At June 30, 2022, the School Board reported deferred outflows of resources and deferred inflows of resources related to the School Board’s HIC Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience \$	-	\$ 7,273
Change of assumptions	2,328	6,556
Employer contributions subsequent to the measurement date	<u>6,403</u>	<u>-</u>
Total	<u>\$ 8,731</u>	<u>\$ 13,829</u>

\$6,403 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2023	\$ (5,523)
2024	(2,853)
2025	(1,309)
2026	(1,816)

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2021-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 19-Other Postemployment Benefits - Health Insurance and LODA:

Plan Description

In addition to the pension benefits described in Note 15 and other postemployment benefits described in Notes 17 and 18, the County and School Board provide post-retirement health care insurance benefits for employees who are eligible for retirement benefits. There are age and service requirements for eligibility for each VRS plan. Employees who do not participate in VRS must attain the age of 50 with at least 10 years of service with the County Schools to receive benefits offered by the School Board. The plans do not issue a publicly available financial report.

Health benefits include medical, dental, and vision coverage for retirees and eligible spouses. Retirees under the age of 65 may elect among several Key Advantage plans or a High Deductible Health Plan medical option. Health benefits are offered until the earlier of the retiree's death or the retiree attaining age 65. Health benefits for the spouse of the retiree are offered until the earlier of the spouse's death, the retiree's death, or the spouse attaining age 65. If the retiree predeceases the spouse, the spouse may continue coverage through COBRA only. There are no age or service requirements for disabled individuals. They are eligible for the same benefit as other retirees.

Plan Membership

At July 1, 2019, the following employees were covered by the benefit terms:

	<u>Primary Government</u>	<u>School Board</u>
Total active employees with coverage	142	202
Total retirees with coverage	3	5
Total spouses of retirees with coverage	-	1
Total	<u>145</u>	<u>208</u>

Funding Policy

The County and School Board establish employer contribution rates for plan participants as part of the budgetary process each year. The County and School Board also determine how the plans will be funded each year, whether they will partially fund the plans or fully fund the plans. The plans are not currently pre-funded; therefore, no assets are accumulated in a trust fund. The retiree and spouse must pay the entire premium. Coverage ceases when retirees reach the age of 65 or upon death, if earlier. Disability benefits end when the retiree is eligible for Medicare. The amount paid by the County and School Board for OPEB as the benefits came due during the year ended June 30, 2022 was \$33,001 and \$36,640, respectively.

Total OPEB Liability

The County and School Board's total OPEB liability was measured as of June 30, 2022. The total OPEB liability was determined by an actuarial valuation performed as of July 1, 2019.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 19-Other Postemployment Benefits - Health Insurance and LODA: (Continued)

Actuarial Assumptions

The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% per year as of June 30, 2021 and 2022
Salary Increases	The salary increase rate starts at 5.35% salary increase for 1 year of service and gradually declines to 3.50% salary increase for 20 or more years of service for County and nonprofessional School Board employees. The rate for professional School Board employees starts at 5.95% and gradually declines to 3.50%.
Discount Rate	2.16% as of June 30, 2021 and 3.54% as of June 30, 2022

For the County, the following mortality rates were used:

- For active employees, RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020; males setback 1 year, 85% of rates; females setback 1 year. 25% of deaths are assumed to be service related.
- For healthy retirees, RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year; females setback 1 year with 1.5% increase compounded from ages 70 to 85.
- For disabled retirees, RP-2014 Disabled Mortality Rates projected with Scale BB to 2020; males 115% of rates; females 130% of rates.

For the School Board, the following mortality rates were used:

- For active employees, RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020. 5% of deaths are assumed to be service related.
- For healthy retirees, RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males 1% increase compounded from ages 70 to 90; females setback 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.
- For disabled retirees, RP-2014 Disabled Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

Significant assumptions were based on the most recent experience study performed by VRS which examined actual VRS experience over the four-year period ending June 30, 2016.

Brunswick County and the School Board have not set aside assets specifically for funding OPEB, so benefits are paid from the County's and School's general pool of assets. To estimate the rate of return on these assets, a discount rate assumption similar to yields implied by theoretical 20-year general obligation bond indices as of June 30, 2022 was selected.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 19-Other Postemployment Benefits - Health Insurance and LODA: (Continued)

Discount Rate

The discount rates are based on the Bond Buyer General Obligation 20-Bond Municipal Index as of their respective measurement dates. The final equivalent single discount rate used for this year's valuation is 2.16% as of the end of the fiscal year.

Changes in Total OPEB Liability

	Primary Government Total OPEB Liability	School Board Total OPEB Liability
Balances at June 30, 2021	\$ 836,937	\$ 680,125
Changes for the year:		
Service cost	\$ 67,515	\$ 40,403
Interest	19,181	15,170
Difference between expected and actual experience	82,276	(110,112)
Changes in assumptions	(124,916)	(47,503)
Benefit payments	(33,001)	(36,640)
Net changes	\$ 11,055	\$ (138,682)
Balances at June 30, 2022	\$ 847,992	\$ 541,443

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

The following amounts present the total OPEB liability of the County and School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.16%) or one percentage point higher (3.16%) than the current discount rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Primary Government \$	932,874	\$ 847,992	\$ 770,993
School Board	575,113	541,443	508,737

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 19-Other Postemployment Benefits - Health Insurance and LODA: (Continued)

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

The following presents the total OPEB liability of the County and 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 (9.30% decreasing to an ultimate rate of 3.00% - County and 1.80% increasing to an ultimate rate of 3.00% - School Board) or one percentage point higher (11.30% decreasing to an ultimate rate of 5.00% - County and 3.80% increasing to an ultimate rate of 5.00% - School Board) than the current healthcare cost trend rates (10.30% decreasing to an ultimate rate of 4.00% - County and 2.80% increasing to 5.20% and then decreasing to an ultimate rate of 4.00% - School Board):

	Rates		
	1% Decrease	Healthcare Cost Trend	1% Increase
Primary Government \$	732,108	\$ 847,992	\$ 986,194
School Board	484,340	541,443	607,544

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

For the year ended June 30, 2022, the County and School Board recognized OPEB expense in the amount of \$106,610 and \$42,781, respectively. At June 30, 2022, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Primary Government		School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 79,619	\$ -	\$ -	\$ 96,795
Changes of assumptions	71,280	108,786	53,354	39,150
Total	<u>\$ 150,899</u>	<u>\$ 108,786</u>	<u>\$ 53,354</u>	<u>\$ 135,945</u>

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 19-Other Postemployment Benefits - Health Insurance and LODA: (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>Primary Government</u>	<u>School Board</u>
2023	\$ 19,914	\$ (13,296)
2024	19,096	(13,426)
2025	19,095	(15,006)
2026	(6,662)	(29,188)
2027	(6,662)	(11,675)
Thereafter	(2,668)	-

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

Line of Duty Act (LODA)

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

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

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer.

The County's LODA coverage is fully covered or "insured" through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The County's LODA premium for the year ended June 30, 2022 was \$41,210.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 19-Other Postemployment Benefits - Health Insurance and LODA: (Continued)

Primary Government and Component Unit School Board

Aggregate OPEB Information

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net OPEB Liabilities (Asset)</u>	<u>OPEB Expense</u>
OPEB Plans:				
Primary Government:				
GLI	\$ 139,234	\$ 140,005	\$ 357,082	\$ 28,669
Retiree Medical	150,899	108,786	847,992	106,610
Totals	<u>\$ 290,133</u>	<u>\$ 248,791</u>	<u>\$ 1,205,074</u>	<u>\$ 135,279</u>
Component Unit School Board:				
GLI	\$ 18,757	\$ 32,956	\$ 62,172	\$ 531
Teacher GLI	130,665	277,643	497,494	(5,528)
HIC	8,731	13,829	44,872	(1,284)
Teacher HIC	138,703	240,720	1,280,232	59,870
Retiree Medical	53,354	135,945	541,443	42,781
Totals	<u>\$ 350,210</u>	<u>\$ 701,093</u>	<u>\$ 2,426,213</u>	<u>\$ 96,370</u>

Note 20-Surety Bond Information:

	<u>Amount</u>
Commonwealth of Virginia, Department of General Services, Division of Risk Management-Faithful Performance of Duty Bond	
Jacqueline Seward Morgan, Clerk of the Circuit Court	\$ 300,000
Jacqueline Mangrum, Treasurer	400,000
Camilla Clayton-Bright, Commissioner of the Revenue	3,000
Brian K. Roberts, Sheriff	30,000
Virginia Association of Counties (VACo) Risk Management Programs:	
County and School Board:	
Faithful performance blanket position coverage	250,000

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 21-Interfund Balances and Transfers:

Interfund balances and transfers for the year ended June 30, 2022, consisted of the following:

	<u>Due To</u>	<u>Due From</u>	<u>Net</u>
Primary Government:			
General Fund	\$ -	\$ 228,944	\$ (228,944)
VPA Fund	168,289	-	168,289
CSA Fund	60,655	-	60,655
Total Primary Government	<u>\$ 228,944</u>	<u>\$ 228,944</u>	<u>\$ -</u>

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net</u>
Primary Government:			
General Fund	\$ -	\$ 1,323,319	\$ (1,323,319)
VPA Fund	451,829	-	451,829
Debt Service Fund	594,458	-	594,458
Capital Projects Fund	87,345	-	87,345
Airport Fund	32,320	-	32,320
CSA Fund	157,367	-	157,367
Total Primary Government	<u>\$ 1,323,319</u>	<u>\$ 1,323,319</u>	<u>\$ -</u>

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

Note 22-Landfill Closure and Postclosure Care Cost:

The County of Brunswick, Virginia owns a landfill which it no longer operates, however the County is responsible for the landfill closure and postclosure costs. The landfill was closed on September 1, 1994. The County hauls trash to a private landfill in the County.

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used at each balance sheet date. The \$674,107 reported as landfill postclosure care liability at June 30, 2022 represents the estimated remaining amount of postclosure monitoring costs required, including corrective action costs of \$378,890 required by the Department of Environmental Quality. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County intends to fund future costs from funds accumulated for this purpose in the General Fund.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 22-Landfill Closure and Postclosure Care Cost: (Continued)

The County demonstrated financial assurance requirements for closure, postclosure care, and corrective action costs through the submission of a Local Governmental Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VA C20-70 of the Virginia Administrative Code.

Note 23-Adoption of Accounting Principle

The County implemented provisions of Governmental Accounting Standards Board Statement Nos. 87, *Leases* and 92, *Omnibus 2020* during the fiscal year ended June 30, 2022. Statement No. 87, *Leases* requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Statement No. 92, *Omnibus 2020* addresses a variety of topics, including leases. No restatement of beginning net position was required as a result of this implementation. Using the facts and circumstances that existed at the beginning of the year of implementation, the following balances were recognized as of July 1, 2021 related to the lease(s):

Primary Government:

	<u>Governmental Activities</u>	<u>General Fund</u>
Lessee activity:		
Lease assets	\$ 2,190,051	\$ -
Lease liabilities	<u>\$ 2,190,051</u>	<u>\$ -</u>
Lessor activity:		
Leases receivable	\$ 366,893	\$ 366,893
Deferred inflows of resources - leases	<u>\$ 366,893</u>	<u>\$ 366,893</u>

The County implemented provisions of Governmental Accounting Standards Board Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period* during the fiscal year ended June 30, 2022. This Statement simplifies accounting for interest cost incurred before the end of a construction period. Interest cost incurred during construction is expensed and no longer capitalized as part of project costs. No restatement was required as a result of this implementation.

Note 24-Subsequent Event

COVID-19 Pandemic and Related Funding

The COVID-19 pandemic and its impact on operations continues to evolve. Specific to the County, COVID-19 impacted various parts of its 2022 operations and financial results including, but not limited to, costs for emergency preparedness and shortages of personnel. Federal relief has been received through various programs. Management believes the County is taking appropriate actions to mitigate the negative impact. The extent to which COVID-19 may impact operations in subsequent years remains uncertain, and management is unable to estimate the effects on future results of operations, financial condition, or liquidity for fiscal year 2022.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 24-Subsequent Event (Continued)

ARPA Funding

On March 11, 2022, the American Rescue Plan (ARPA) Act of 2022 was passed by the federal government. A primary component of the ARPA was the establishment of the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF). Local governments are to receive funds in two tranches, with 50% provided beginning in May 2022 and the balance delivered approximately 12 months later.

On July 22, 2022, the County received its share of the first half of the CSLFRF funds. On September 6, 2022, the second half of CSLFRF funds were received. As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government.

On July 22, 2022, the County received its share of the first half of the CSLFRF funds and received its second half on September 6, 2022. As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government. Unspent funds in the amount of \$1,489,326 from the initial allocation are reported as unearned revenue as of June 30.

ESF Funding

The CARES Act also established the Education Stabilization Fund (ESF) and allocated \$30.75 billion to the U.S. Department of Education. The ESF is composed of three primary emergency relief funds: (1) a Governor's Emergency Education Relief (GEER) Fund, (2) an Elementary and Secondary School Emergency Relief (ESSER) Fund, and (3) a Higher Education Emergency Relief (HEER) Fund. The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA Act) was signed into law on December 27, 2020 and added \$81.9 billion to the ESF. In March 2022, the American Rescue Plan Act (ARP Act), in support of ongoing state and institutional COVID-19 recovery efforts, added more than \$170 billion to the ESF. The School Board is receiving this funding from the Virginia Department of Education on a reimbursement basis.

REQUIRED SUPPLEMENTARY INFORMATION

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General Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		Positive (Negative)
REVENUES				
General property taxes	\$ 16,503,800	\$ 16,503,800	\$ 17,329,023	\$ 825,223
Other local taxes	1,475,000	1,475,000	1,952,633	477,633
Permits, privilege fees, and regulatory licenses	70,600	70,600	108,108	37,508
Fines and forfeitures	1,616,614	1,774,707	1,871,592	96,885
Revenue from the use of money and property	68,900	68,900	76,186	7,286
Charges for services	847,750	869,818	1,403,761	533,943
Miscellaneous	30,000	67,517	806,162	738,645
Recovered costs	290,345	298,708	368,098	69,390
Intergovernmental:				
Commonwealth	4,169,367	4,655,715	5,069,494	413,779
Federal	97,101	1,051,698	727,316	(324,382)
Total revenues	\$ 25,169,477	\$ 26,836,463	\$ 29,712,373	\$ 2,875,910
EXPENDITURES				
Current:				
General government administration	\$ 1,905,763	\$ 2,181,121	\$ 2,174,742	\$ 6,379
Judicial administration	2,002,213	2,063,596	1,970,561	93,035
Public safety	10,013,427	10,398,944	9,926,465	472,479
Public works	2,086,057	2,676,581	2,656,090	20,491
Health and welfare	198,876	198,876	240,162	(41,286)
Education	7,235,598	7,670,598	8,493,737	(823,139)
Parks, recreation, and cultural	386,464	470,426	421,465	48,961
Community development	712,787	1,739,928	1,385,616	354,312
Capital projects	7,500	16,612	12,389	4,223
Debt service:				
Principal retirement	599,736	599,736	624,553	(24,817)
Interest and other fiscal charges	375,098	375,098	329,174	45,924
Total expenditures	\$ 25,523,519	\$ 28,391,516	\$ 28,234,954	\$ 156,562
Excess (deficiency) of revenues over (under) expenditures	\$ (354,042)	\$ (1,555,053)	\$ 1,477,419	\$ 3,032,472
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (1,645,958)	\$ (1,800,292)	\$ (1,323,319)	\$ 476,973
Lease proceeds	-	-	41,379	41,379
Total other financing sources (uses)	\$ (1,645,958)	\$ (1,800,292)	\$ (1,281,940)	\$ 518,352
Net change in fund balances	\$ (2,000,000)	\$ (3,355,345)	\$ 195,479	\$ 3,550,824
Fund balances - beginning	2,000,000	3,355,345	17,094,300	13,738,955
Fund balances - ending	\$ -	\$ -	\$ 17,289,779	\$ 17,289,779

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Virginia Public Assistance Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 1,868	\$ 1,868
Intergovernmental:				
Commonwealth	595,813	606,319	743,086	136,767
Federal	1,377,415	1,377,415	1,358,113	(19,302)
Total revenues	\$ 1,973,228	\$ 1,983,734	\$ 2,103,067	\$ 119,333
EXPENDITURES				
Current:				
Health and welfare	\$ 2,504,390	\$ 2,554,896	\$ 2,554,896	\$ -
Total expenditures	\$ 2,504,390	\$ 2,554,896	\$ 2,554,896	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$ (531,162)	\$ (571,162)	\$ (451,829)	\$ 119,333
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 531,162	\$ 571,162	\$ 451,829	\$ (119,333)
Total other financing sources (uses)	\$ 531,162	\$ 571,162	\$ 451,829	\$ (119,333)
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

COUNTY OF BRUNSWICK, VIRGINIA

Schedule of Changes in Net Pension Liability and Related Ratios

Primary Government

For the Measurement Dates of June 30, 2014 through June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total pension liability			
Service cost	\$ 650,163	\$ 646,361	\$ 549,592
Interest	1,689,810	1,621,979	1,527,260
Differences between expected and actual experience	691,217	(102,942)	419,663
Changes of assumptions	1,087,721	-	756,466
Benefit payments	(1,090,011)	(1,230,977)	(852,327)
Net change in total pension liability	<u>\$ 3,028,900</u>	<u>\$ 934,421</u>	<u>\$ 2,400,654</u>
Total pension liability - beginning	<u>25,579,232</u>	<u>24,644,811</u>	<u>22,244,157</u>
Total pension liability - ending (a)	<u><u>\$ 28,608,132</u></u>	<u><u>\$ 25,579,232</u></u>	<u><u>\$ 24,644,811</u></u>
Plan fiduciary net position			
Contributions - employer	\$ 650,025	\$ 598,666	\$ 582,420
Contributions - employee	296,044	292,487	284,276
Net investment income	5,641,537	387,481	1,295,345
Benefit payments	(1,090,011)	(1,230,977)	(852,327)
Administrator charges	(13,802)	(13,339)	(12,452)
Other	534	(463)	(818)
Net change in plan fiduciary net position	<u>\$ 5,484,327</u>	<u>\$ 33,855</u>	<u>\$ 1,296,444</u>
Plan fiduciary net position - beginning	<u>20,531,248</u>	<u>20,497,393</u>	<u>19,200,949</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 26,015,575</u></u>	<u><u>\$ 20,531,248</u></u>	<u><u>\$ 20,497,393</u></u>
County's net pension liability - ending (a) - (b)	<u>\$ 2,592,557</u>	<u>\$ 5,047,984</u>	<u>\$ 4,147,418</u>
Plan fiduciary net position as a percentage of the total pension liability	90.94%	80.27%	83.17%
Covered payroll	\$ 6,330,077	\$ 6,197,570	\$ 5,953,521
County's net pension liability as a percentage of covered payroll	40.96%	81.45%	69.66%

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.

2018	2017	2016	2015	2014
508,828 \$	502,660 \$	484,174 \$	473,347 \$	467,394
1,487,495	1,409,855	1,386,660	1,328,062	1,269,942
(578,884)	146,436	(562,777)	(69,392)	-
-	(31,974)	-	-	-
(846,407)	(989,263)	(964,149)	(825,649)	(988,461)
571,032 \$	1,037,714 \$	343,908 \$	906,368 \$	748,875
21,673,125	20,635,411	20,291,503	19,385,135	18,636,260
22,244,157 \$	21,673,125 \$	20,635,411 \$	20,291,503 \$	19,385,135
556,887 \$	508,505 \$	618,450 \$	584,255 \$	589,542
255,282	237,909	229,606	212,328	225,352
1,329,783	1,961,325	282,280	706,070	2,117,435
(846,407)	(989,263)	(964,149)	(825,649)	(988,461)
(11,293)	(11,310)	(9,895)	(9,546)	(11,445)
(1,192)	(1,751)	(118)	(148)	111
1,283,060 \$	1,705,415 \$	156,174 \$	667,310 \$	1,932,534
17,917,889	16,212,484	16,056,310	15,389,000	13,456,466
19,200,949 \$	17,917,899 \$	16,212,484 \$	16,056,310 \$	15,389,000
3,043,208 \$	3,755,226 \$	4,422,927 \$	4,235,193 \$	3,996,135
86.32%	82.67%	78.57%	79.13%	79.39%
5,308,791 \$	4,804,488 \$	4,525,045 \$	4,266,100 \$	4,238,853
57.32%	78.16%	97.74%	99.28%	94.27%

COUNTY OF BRUNSWICK, 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, 2021

	<u>2021</u>	<u>2020</u>
Total pension liability		
Service cost	\$ 126,871	\$ 109,563
Interest	349,952	349,842
Differences between expected and actual experience	234,672	(113,209)
Changes of assumptions	188,418	-
Benefit payments	(352,678)	(336,440)
Net change in total pension liability	\$ 547,235	\$ 9,756
Total pension liability - beginning	5,360,820	5,351,064
Total pension liability - ending (a)	<u>\$ 5,908,055</u>	<u>\$ 5,360,820</u>
Plan fiduciary net position		
Contributions - employer	\$ 17,367	\$ 19,661
Contributions - employee	51,674	55,393
Net investment income	1,492,339	108,552
Benefit payments	(352,678)	(336,440)
Administrator charges	(3,890)	(3,827)
Other	139	(125)
Net change in plan fiduciary net position	\$ 1,204,951	\$ (156,786)
Plan fiduciary net position - beginning	5,561,960	5,718,746
Plan fiduciary net position - ending (b)	<u>\$ 6,766,911</u>	<u>\$ 5,561,960</u>
School Division's net pension liability (asset) - ending (a) - (b)	\$ (858,856)	\$ (201,140)
Plan fiduciary net position as a percentage of the total pension liability	114.54%	103.75%
Covered payroll	\$ 1,102,262	\$ 1,169,886
School Division's net pension liability (asset) as a percentage of covered payroll	-77.92%	-17.19%

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.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$	113,303	\$ 113,271	\$ 112,010	\$ 114,274	\$ 125,267	\$ 126,969
	340,566	351,797	344,429	355,957	360,097	345,287
	51,681	(310,220)	(2,596)	(339,911)	(256,496)	-
	129,554	-	(48,095)	-	-	-
	<u>(298,551)</u>	<u>(332,012)</u>	<u>(268,970)</u>	<u>(321,035)</u>	<u>(254,997)</u>	<u>(266,377)</u>
\$	336,553	\$ (177,164)	\$ 136,778	\$ (190,715)	\$ (26,129)	\$ 205,879
	5,014,511	5,191,675	5,054,897	5,245,612	5,271,741	5,065,862
\$	<u>5,351,064</u>	<u>5,014,511</u>	<u>5,191,675</u>	<u>5,054,897</u>	<u>5,245,612</u>	<u>5,271,741</u>
\$	18,627	\$ 42,055	\$ 43,960	\$ 98,666	\$ 99,529	\$ 107,370
	50,809	53,456	54,812	54,489	55,202	58,609
	364,341	394,511	600,894	84,919	225,262	684,923
	(298,551)	(332,012)	(268,970)	(321,035)	(254,997)	(266,377)
	(3,767)	(3,532)	(3,561)	(3,216)	(3,139)	(3,744)
	<u>(228)</u>	<u>(347)</u>	<u>(531)</u>	<u>(37)</u>	<u>(46)</u>	<u>36</u>
\$	131,231	\$ 154,131	\$ 426,604	\$ (86,214)	\$ 121,811	\$ 580,817
	5,587,515	5,433,384	5,006,780	5,092,994	4,971,183	4,390,366
\$	<u>5,718,746</u>	<u>5,587,515</u>	<u>5,433,384</u>	<u>5,006,780</u>	<u>5,092,994</u>	<u>4,971,183</u>
\$	(367,682)	\$ (573,004)	\$ (241,709)	\$ 48,117	\$ 152,618	\$ 300,558
	106.87%	111.43%	104.66%	99.05%	97.09%	94.30%
\$	1,070,702	\$ 1,114,681	\$ 1,130,833	\$ 1,112,779	\$ 1,116,354	\$ 1,172,159
	-34.34%	-51.41%	-21.37%	4.32%	13.67%	25.64%

COUNTY OF BRUNSWICK, VIRGINIA

Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan
For the Measurement Dates of June 30, 2014 through June 30, 2021

	<u>2021</u>	<u>2020</u>
Employer's Proportion of the Net Pension Liability	0.01000%	0.10700%
Employer's Proportionate Share of the Net Pension Liability	\$ 7,764,650	\$ 15,568,399
Employer's Covered Payroll	8,820,936	9,338,277
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	88.03%	166.72%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.46%	71.47%

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.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.10759%	0.11508%	0.12224%	0.12449%	0.12561%	0.13337%
\$ 14,159,456	\$ 13,534,000	\$ 15,033,000	\$ 17,447,000	\$ 15,810,000	\$ 16,117,000
8,999,734	9,303,038	9,655,949	9,490,744	9,590,362	9,752,607
157.33%	145.48%	155.69%	183.83%	164.85%	165.26%
73.51%	74.81%	72.92%	68.28%	70.68%	70.88%

Schedule of Employer Contributions - VRS Pension Plans
 For the Years Ended June 30, 2013 through June 30, 2022

<u>Date</u>	<u>Contractually Required Contribution (1)</u>	<u>Contributions in Relation to Contractually Required Contribution (2)</u>	<u>Contribution Deficiency (Excess) (3)</u>	<u>Employer's Covered Payroll (4)</u>	<u>Contributions as a % of Covered Payroll (5)</u>
Primary Government					
2022	\$ 695,351	\$ 695,351	\$ -	\$ 6,767,626	10.27%
2021	650,024	650,024	-	6,330,077	10.27%
2020	598,647	598,647	-	6,197,570	9.66%
2019	582,417	582,417	-	5,953,521	9.78%
2018	556,442	556,442	-	5,308,791	10.48%
2017	508,504	508,504	-	4,804,488	10.58%
2016	623,099	623,099	-	4,525,045	13.77%
2015	587,442	587,442	-	4,266,100	13.77%
2014	589,624	589,624	-	4,238,853	13.91%
2013	574,087	574,087	-	4,127,150	13.91%
Component Unit School Board (nonprofessional)					
2022	\$ 16,878	\$ 16,878	\$ -	\$ 1,143,386	1.48%
2021	16,175	16,175	-	1,102,262	1.47%
2020	18,627	18,627	-	1,169,886	1.59%
2019	18,019	18,019	-	1,070,702	1.68%
2018	43,035	43,035	-	1,114,681	3.86%
2017	45,742	45,742	-	1,130,833	4.04%
2016	99,816	99,816	-	1,112,779	8.97%
2015	100,137	100,137	-	1,116,354	8.97%
2014	107,369	107,369	-	1,172,158	9.16%
2013	110,096	110,096	-	1,201,924	9.16%
Component Unit School Board (professional)					
2022	\$ 1,378,988	\$ 1,378,988	\$ -	\$ 8,602,950	16.03%
2021	1,414,941	1,414,941	-	8,820,936	16.04%
2020	1,421,634	1,421,634	-	9,338,277	15.22%
2019	1,378,861	1,378,861	-	8,999,734	15.32%
2018	1,544,432	1,544,432	-	9,303,038	16.60%
2017	1,360,944	1,360,944	-	9,655,949	14.09%
2016	1,145,347	1,145,347	-	9,490,744	12.07%
2015	1,349,364	1,349,364	-	9,590,362	14.07%
2014	1,137,154	1,137,154	-	9,752,607	11.66%
2013	1,271,202	1,271,202	-	10,902,247	11.66%

Notes to Required Supplementary Information
 VRS Pension Plans
 For the Year Ended June 30, 2022

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, 2020 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

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Schedule of County's and School Board's Share of Net OPEB Liability
 VRS Cost-Sharing OPEB Plans
 For the Measurement Dates of June 30, 2017 through June 30, 2021

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Group Life Insurance (GLI) Plan					
Primary Government					
2021	0.03070% \$	357,082 \$	6,767,626	5.28%	67.45%
2020	0.03014%	502,987	6,203,514	8.11%	52.64%
2019	0.03045%	495,503	5,969,368	8.30%	52.00%
2018	0.02813%	427,000	5,348,681	7.98%	51.22%
2017	0.02605%	393,000	4,804,488	8.18%	48.86%
Component Unit School Board (nonprofessional)					
2021	0.00530% \$	62,172 \$	1,143,386	5.44%	67.45%
2020	0.00569%	94,957	1,169,886	8.12%	52.64%
2019	0.00549%	89,337	1,076,646	8.30%	52.00%
2018	0.00591%	90,000	1,123,835	8.01%	51.22%
2017	0.00617%	93,000	1,138,466	8.17%	48.86%
Component Unit School Board (professional)					
2021	0.04270% \$	497,494 \$	8,610,516	5.78%	67.45%
2020	0.04540%	757,652	9,342,928	8.11%	52.64%
2019	0.04594%	747,567	9,006,358	8.30%	52.00%
2018	0.04896%	743,000	9,309,849	7.98%	51.22%
2017	0.05247%	790,000	9,677,754	8.16%	48.86%
Teacher Employee Health Insurance Credit (HIC) Plan					
Component Unit School Board (professional)					
2021	0.09974% \$	1,280,232 \$	8,602,950	14.88%	9.95%
2020	0.10652%	1,389,571	9,338,277	14.88%	9.95%
2019	0.10730%	1,404,662	8,999,734	15.61%	8.97%
2018	0.11491%	1,459,000	9,293,614	15.70%	8.08%
2017	0.12248%	1,553,000	9,665,747	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 BRUNSWICK, VIRGINIA

Schedule of Changes in the School Board's Net OPEB Liability and Related Ratios
 Health Insurance Credit (HIC) Plan
 For the Measurement Dates of June 30, 2017 through June 30, 2021

	<u>2021</u>	<u>2020</u>
Total HIC OPEB Liability		
Service cost	\$ 1,872	\$ 1,820
Interest	6,946	6,906
Changes of benefit terms	-	3,788
Differences between expected and actual experience	(603)	(4,619)
Changes of assumptions	2,160	-
Benefit payments	(7,552)	(7,057)
Net change in total HIC OPEB liability	<u>\$ 2,823</u>	<u>\$ 838</u>
Total HIC OPEB Liability - beginning	106,680	105,842
Total HIC OPEB Liability - ending (a)	<u><u>\$ 109,503</u></u>	<u><u>\$ 106,680</u></u>
 Plan fiduciary net position		
Contributions - employer	\$ 6,173	\$ 6,317
Net investment income	13,661	1,038
Benefit payments	(7,552)	(7,057)
Administrator charges	(158)	(99)
Other	-	-
Net change in plan fiduciary net position	<u>\$ 12,124</u>	<u>\$ 199</u>
Plan fiduciary net position - beginning	52,507	52,308
Plan fiduciary net position - ending (b)	<u><u>\$ 64,631</u></u>	<u><u>\$ 52,507</u></u>
 School Board's net HIC OPEB liability - ending (a) - (b)	\$ 44,872	\$ 54,173
 Plan fiduciary net position as a percentage of the total HIC OPEB liability	59.02%	49.22%
 Covered payroll	\$ 1,102,262	\$ 1,169,886
 School Board's net HIC OPEB liability as a percentage of covered payroll	4.07%	4.63%

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

Exhibit 17

	<u>2019</u>	<u>2018</u>	<u>2017</u>
\$	1,807	\$ 1,944	\$ 2,026
	7,787	7,897	7,906
	-	-	-
	(13,749)	(4,184)	-
	2,202	-	(3,475)
	(6,891)	(7,579)	(5,609)
\$	<u>(8,844)</u>	<u>\$ (1,922)</u>	<u>\$ 848</u>
	114,686	116,608	115,760
\$	<u><u>105,842</u></u>	<u><u>\$ 114,686</u></u>	<u><u>\$ 116,608</u></u>
\$	5,782	\$ 6,354	\$ 6,445
	3,195	3,403	4,960
	(6,891)	(7,579)	(5,609)
	(69)	(79)	(80)
	(3)	(247)	247
\$	<u>2,014</u>	<u>\$ 1,852</u>	<u>\$ 5,963</u>
	50,294	48,442	42,479
\$	<u><u>52,308</u></u>	<u><u>\$ 50,294</u></u>	<u><u>\$ 48,442</u></u>
\$	53,534	\$ 64,392	\$ 68,166
	49.42%	43.85%	41.54%
\$	1,070,702	\$ 1,114,681	\$ 1,130,833
	5.00%	5.78%	6.03%

Schedule of Employer Contributions
 VRS OPEB Plan - Group Life Insurance (GLI) Plan
 For the Years Ended June 30, 2013 through June 30, 2022

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					
2022	\$ 36,545	\$ 36,545	\$ -	\$ 6,767,626	0.54%
2021	34,197	34,197	-	6,332,779	0.54%
2020	32,258	32,258	-	6,203,514	0.52%
2019	31,041	31,041	-	5,969,368	0.52%
2018	27,813	27,813	-	5,348,681	0.52%
2017	24,983	24,983	-	4,804,488	0.52%
2016	21,720	21,720	-	4,525,045	0.48%
2015	20,477	20,477	-	4,266,100	0.48%
2014	20,346	20,346	-	4,238,853	0.48%
2013	19,810	19,810	-	4,127,150	0.48%
Component Unit School Board (nonprofessional)					
2022	\$ 6,174	\$ 6,174	\$ -	\$ 1,143,386	0.54%
2021	5,952	5,952	-	1,102,262	0.54%
2020	6,083	6,083	-	1,169,886	0.52%
2019	5,599	5,599	-	1,076,646	0.52%
2018	5,844	5,844	-	1,123,835	0.52%
2017	5,920	5,920	-	1,138,466	0.52%
2016	5,341	5,341	-	1,112,779	0.48%
2015	5,358	5,358	-	1,116,354	0.48%
2014	5,626	5,626	-	1,172,158	0.48%
2013	5,769	5,769	-	1,201,924	0.48%
Component Unit School Board (professional)					
2022	\$ 46,497	\$ 46,497	\$ -	\$ 8,610,516	0.54%
2021	47,633	47,633	-	8,820,936	0.54%
2020	48,583	48,583	-	9,342,928	0.52%
2019	46,833	46,833	-	9,006,358	0.52%
2018	48,411	48,411	-	9,309,849	0.52%
2017	50,324	50,324	-	9,677,754	0.52%
2016	45,560	45,560	-	9,491,607	0.48%
2015	44,828	44,828	-	9,339,184	0.48%
2014	46,815	46,815	-	9,753,088	0.48%
2013	49,647	49,647	-	10,343,034	0.48%

Schedule of Employer Contributions

VRS OPEB Plans - Health Insurance Credit (HIC) and Teacher Employee Health Insurance Credit (HIC) Plans

For the Years Ended June 30, 2013 through June 30, 2022

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)					
2022	\$ 6,403	\$ 6,403	\$ -	\$ 1,143,386	0.56%
2021	6,173	6,173	-	1,102,262	0.56%
2020	6,317	6,317	-	1,169,886	0.54%
2019	5,782	5,782	-	1,070,702	0.54%
2018	6,354	6,354	-	1,114,681	0.57%
2017	6,446	6,446	-	1,130,833	0.57%
2016	5,898	5,898	-	1,112,779	0.53%
2015	5,917	5,917	-	1,116,354	0.53%
2014	7,150	7,150	-	1,172,158	0.61%
2013	7,301	7,301	-	1,196,912	0.61%
Component Unit School Board (professional)					
2022	\$ 104,096	\$ 104,096	\$ -	\$ 8,602,950	1.21%
2021	106,733	106,733	-	8,820,936	1.21%
2020	112,059	112,059	-	9,338,277	1.20%
2019	107,997	107,997	-	8,999,734	1.20%
2018	114,311	114,311	-	9,293,614	1.23%
2017	107,290	107,290	-	9,665,747	1.11%
2016	100,611	100,611	-	9,491,607	1.06%
2015	98,995	98,995	-	9,339,184	1.06%
2014	108,259	108,259	-	9,753,088	1.11%
2013	113,366	113,366	-	10,213,129	1.11%

Notes to Required Supplementary Information
 VRS OPEB Plan - Group Life Insurance (GLI) Plan
 For the Year Ended June 30, 2021

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, 2020 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
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Notes to Required Supplementary Information
 VRS OPEB Plans - Health Insurance Credit (HIC) and Teacher Employee Health Insurance Credit (HIC) Plans
 For the Year Ended June 30, 2021

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, 2020, 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

Component Unit School Board - Professional Employees (Teacher HIC)

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

Schedule of Changes in Total OPEB Liability and Related Ratios
 Health Insurance OPEB Plans - Primary Government and Component Unit School Board
 For the Years Ended June 30, 2018 through June 30, 2022

Primary Government					
	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 67,515	\$ 58,255	\$ 40,288	\$ 31,107	\$ 32,003
Interest	19,181	18,293	21,895	21,952	19,465
Changes of assumptions	(124,916)	3,679	129,736	21,038	(20,338)
Differences between expected and actual experience	82,276	-	20,396	-	-
Benefit payments	(33,001)	(25,434)	(30,666)	(19,301)	(18,974)
Net change in total OPEB liability	\$ 11,055	\$ 54,793	\$ 181,649	\$ 54,796	\$ 12,156
Total OPEB liability - beginning	836,937	782,144	600,495	545,699	533,543
Total OPEB liability - ending	\$ 847,992	\$ 836,937	\$ 782,144	\$ 600,495	\$ 545,699
Covered-employee payroll	\$ 7,152,063	\$ 7,034,863	\$ 7,034,863	\$ 5,528,661	\$ 5,528,661
County's total OPEB liability (asset) as a percentage of covered-employee payroll	11.86%	11.90%	11.12%	10.86%	9.87%
Component Unit School Board (nonprofessional)					
	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 40,403	\$ 48,436	\$ 34,988	\$ 37,034	\$ 37,648
Interest	15,170	15,105	19,745	20,594	18,131
Changes of assumptions	(47,503)	1,954	105,030	12,030	(11,594)
Differences between expected and actual experience	(110,112)	-	(14,391)	-	-
Benefit payments	(36,640)	(40,814)	(37,820)	(33,432)	(25,545)
Net change in total OPEB liability	\$ (138,682)	\$ 24,681	\$ 107,552	\$ 36,226	\$ 18,640
Total OPEB liability - beginning	680,125	655,444	547,892	511,666	493,026
Total OPEB liability - ending	\$ 541,443	\$ 680,125	\$ 655,444	\$ 547,892	\$ 511,666
Covered-employee payroll	\$ 8,255,959	\$ 8,916,071	\$ 8,916,071	\$ 9,884,512	\$ 9,884,512
School Board's total OPEB liability (asset) as a percentage of covered-employee payroll	6.56%	7.63%	7.35%	5.54%	5.18%

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

Notes to Required Supplementary Information
 Health Insurance OPEB Plans - Primary Government and Component Unit School Board
 For the Year Ended June 30, 2022

Valuation Date: 7/1/2021
 Measurement Date: 6/30/2022

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	2.16% as of June 30, 2021; 3.54% as of June 30, 2022
Inflation	2.50% per year as of June 30, 2021; 2.50% per year as of June 30, 2022
Healthcare Trend Rate (County)	The healthcare trend rate assumption starts at 6.6% in 2021 and gradually declines to 3.90% by the year 2073
Healthcare Trend Rate (School Board)	The healthcare trend rate assumption starts at 5.20% in 2021 and gradually declines to 4.00% by the year 2073
Salary Increase Rates (County)	The salary increase rate starts at 5.35% salary increase for 1 year of service and gradually declines to 3.50% salary increase for 20 or more years of service
Salary Increase Rates (School Board)	The salary increase rate starts at 5.35% salary increase for 1 year of service and gradually declines to 3.50% salary increase for 20 or more years of service for nonprofessional employees. For professional employees, the salary increase rate starts at 5.95% salary increase for 1 year of service and gradually declines to 3.50% salary increase for 20 or more years of service.
Retirement Age	The average age at retirement is 62
Mortality Rates	The mortality rates for active and healthy retirees were calculated using the RP-2014 Employee Rates projected with Scale BB to 2020. The mortality rates for disabled retirees were calculated using the RP-2014 Disabled Mortality Rates projected with Scale BB to 2020.

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OTHER SUPPLEMENTARY INFORMATION

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*COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES*

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Debt Service Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2022

	School Debt Service Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property Intergovernmental:	\$ -	\$ -	\$ 1	\$ 1
Federal	60,538	60,538	61,319	781
Total revenues	<u>\$ 60,538</u>	<u>\$ 60,538</u>	<u>\$ 61,320</u>	<u>\$ 782</u>
EXPENDITURES				
Debt service:				
Principal retirement	\$ 492,543	\$ 492,543	\$ 492,543	\$ -
Interest and other fiscal charges	223,772	223,772	163,235	60,537
Total expenditures	<u>\$ 716,315</u>	<u>\$ 716,315</u>	<u>\$ 655,778</u>	<u>\$ 60,537</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (655,777)</u>	<u>\$ (655,777)</u>	<u>\$ (594,458)</u>	<u>\$ 61,319</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 655,777	\$ 655,777	\$ 594,458	\$ (61,319)
Total other financing sources (uses)	<u>\$ 655,777</u>	<u>\$ 655,777</u>	<u>\$ 594,458</u>	<u>\$ (61,319)</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	(69,175)	(69,175)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (69,175)</u>	<u>\$ (69,175)</u>

Capital Projects Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2022

	County Capital Improvements Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 2,297,760	\$ 2,297,760	\$ 2,274,107	\$ (23,653)
Revenue from the use of money and property	-	-	78,780	78,780
Miscellaneous	-	32,855	614	(32,241)
Intergovernmental:				
Commonwealth	-	32,854	32,854	-
Federal	500,000	550,000	145,551	(404,449)
Total revenues	\$ 2,797,760	\$ 2,913,469	\$ 2,531,906	\$ (381,563)
EXPENDITURES				
Current:				
Capital projects	\$ 525,000	\$ 3,714,023	\$ 3,232,099	\$ 481,924
Debt service:				
Principal retirement	2,297,760	2,297,760	-	2,297,760
Issuance costs	-	126,839	226,206	(99,367)
Total expenditures	\$ 2,822,760	\$ 6,138,622	\$ 3,458,305	\$ 2,680,317
Excess (deficiency) of revenues over (under) expenditures	\$ (25,000)	\$ (3,225,153)	\$ (926,399)	\$ 2,298,754
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 25,000	\$ 131,966	\$ 87,345	\$ (44,621)
Issuance of general obligation bonds	-	3,093,187	53,500,000	50,406,813
Premium (discount) on issuance of bonds	-	-	2,829,734	2,829,734
Total other financing sources (uses)	\$ 25,000	\$ 3,225,153	\$ 56,417,079	\$ 53,191,926
Net change in fund balances	\$ -	\$ -	\$ 55,490,680	\$ 55,490,680
Fund balances - beginning	-	-	121,532	121,532
Fund balances - ending	\$ -	\$ -	\$ 55,612,212	\$ 55,612,212

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2022

	<u>Airport Commission Fund</u>	<u>Sheriff's Employee Fund</u>	<u>CSA Fund</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ -	\$ 10,080	\$ 36,384	\$ 46,464
Due from other governmental units	-	-	78,827	78,827
Prepaid items	5,482	-	13	5,495
Total assets	<u>\$ 5,482</u>	<u>\$ 10,080</u>	<u>\$ 115,224</u>	<u>\$ 130,786</u>
LIABILITIES				
Accounts payable	\$ 502	\$ -	\$ 54,569	\$ 55,071
Due to other funds	-	-	60,655	60,655
Total liabilities	<u>\$ 502</u>	<u>\$ -</u>	<u>\$ 115,224</u>	<u>\$ 115,726</u>
FUND BALANCES				
Nonspendable:				
Prepays	\$ 5,482	\$ -	\$ 13	\$ 5,495
Restricted:				
Employee benefits - sheriff	-	10,080	-	10,080
Unassigned (deficit):				
Airport	(502)	-	(13)	(515)
Total fund balances	<u>\$ 4,980</u>	<u>\$ 10,080</u>	<u>\$ -</u>	<u>\$ 15,060</u>
Total liabilities and fund balances	<u>\$ 5,482</u>	<u>\$ 10,080</u>	<u>\$ 115,224</u>	<u>\$ 130,786</u>

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Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2022

	<u>Airport Commission Fund</u>	<u>Sheriff's Employee Fund</u>	<u>CSA Fund</u>	<u>Total</u>
REVENUES				
Charges for services	\$ -	\$ 991	\$ -	\$ 991
Miscellaneous	-	10,621	-	10,621
Intergovernmental:				
Commonwealth	2,565	-	338,827	341,392
Federal	-	-	93,178	93,178
Total revenues	<u>\$ 2,565</u>	<u>\$ 11,612</u>	<u>\$ 432,005</u>	<u>\$ 446,182</u>
EXPENDITURES				
Current:				
Public safety	\$ -	\$ 14,911	\$ -	\$ 14,911
Public works	33,901	-	-	33,901
Health and welfare	-	-	589,372	589,372
Total expenditures	<u>\$ 33,901</u>	<u>\$ 14,911</u>	<u>\$ 589,372</u>	<u>\$ 638,184</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (31,336)</u>	<u>\$ (3,299)</u>	<u>\$ (157,367)</u>	<u>\$ (192,002)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>\$ 32,320</u>	<u>\$ -</u>	<u>\$ 157,367</u>	<u>\$ 189,687</u>
Total other financing sources (uses)	<u>\$ 32,320</u>	<u>\$ -</u>	<u>\$ 157,367</u>	<u>\$ 189,687</u>
Net change in fund balances	\$ 984	\$ (3,299)	\$ -	\$ (2,315)
Fund balances - beginning	3,996	13,379	-	17,375
Fund balances - ending	<u><u>\$ 4,980</u></u>	<u><u>\$ 10,080</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 15,060</u></u>

COUNTY OF BRUNSWICK, VIRGINIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2022

	Airport Commission Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-
Intergovernmental:				
Commonwealth	5,000	5,000	2,565	(2,435)
Federal	-	-	-	-
Total revenues	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 2,565</u>	<u>\$ (2,435)</u>
EXPENDITURES				
Current:				
Public safety	\$ -	\$ -	\$ -	-
Public works	28,969	36,337	33,901	2,436
Health and welfare	-	-	-	-
Total expenditures	<u>\$ 28,969</u>	<u>\$ 36,337</u>	<u>\$ 33,901</u>	<u>\$ 2,436</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (23,969)</u>	<u>\$ (31,337)</u>	<u>\$ (31,336)</u>	<u>\$ 1</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 23,969	\$ 31,337	\$ 32,320	\$ 983
Total other financing sources (uses)	<u>\$ 23,969</u>	<u>\$ 31,337</u>	<u>\$ 32,320</u>	<u>\$ 983</u>
Net change in fund balances	\$ -	\$ -	\$ 984	\$ 984
Fund balances - beginning	-	-	3,996	3,996
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,980</u>	<u>\$ 4,980</u>

Sheriff's Employee Fund				CSA Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ 991	\$ 991	\$ -	\$ -	\$ -	\$ -
-	-	10,621	10,621	300	300	-	(300)
-	-	-	-	621,150	621,150	338,827	(282,323)
-	-	-	-	13,500	13,500	93,178	79,678
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,612</u>	<u>\$ 11,612</u>	<u>\$ 634,950</u>	<u>\$ 634,950</u>	<u>\$ 432,005</u>	<u>\$ (202,945)</u>
\$ -	\$ -	\$ 14,911	\$ (14,911)	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	1,045,000	1,045,000	589,372	455,628
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,911</u>	<u>\$ (14,911)</u>	<u>\$ 1,045,000</u>	<u>\$ 1,045,000</u>	<u>\$ 589,372</u>	<u>\$ 455,628</u>
\$ -	\$ -	\$ (3,299)	\$ (3,299)	\$ (410,050)	\$ (410,050)	\$ (157,367)	\$ 252,683
\$ -	\$ -	\$ -	\$ -	\$ 410,050	\$ 410,050	\$ 157,367	\$ (252,683)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 410,050</u>	<u>\$ 410,050</u>	<u>\$ 157,367</u>	<u>\$ (252,683)</u>
\$ -	\$ -	\$ (3,299)	\$ (3,299)	\$ -	\$ -	\$ -	\$ -
-	-	13,379	13,379	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,080</u>	<u>\$ 10,080</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Combining Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2022

	<u>Custodial Funds</u>			
	<u>Special Welfare Fund</u>	<u>Sheriff Funds</u>	<u>Bond Escrow Fund</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 26,487	\$ 99	\$ 22,755	\$ 49,341
Total assets	<u>\$ 26,487</u>	<u>\$ 99</u>	<u>\$ 22,755</u>	<u>\$ 49,341</u>
LIABILITIES				
Escrow deposits payable	\$ -	\$ -	\$ 14,255	\$ 14,255
Due to other governmental units	-	99	-	99
Total liabilities	<u>\$ -</u>	<u>\$ 99</u>	<u>\$ 14,255</u>	<u>\$ 14,354</u>
NET POSITION				
Restricted for:				
Special welfare	\$ 26,487	\$ -	\$ -	\$ 26,487
Performance bond	-	-	8,500	8,500
Total net position	<u>\$ 26,487</u>	<u>\$ -</u>	<u>\$ 8,500</u>	<u>\$ 34,987</u>

Combining Statement of Changes in Fiduciary Net Position
 Custodial Funds
 For the Year Ended June 30, 2022

	Custodial Funds			
	Special Welfare Fund	Sheriff Funds	Bond Escrow Fund	Total
ADDITIONS				
Special welfare collections	\$ 6,334	\$ -	\$ -	\$ 6,334
Contribution from County	-	-	-	-
Sheriff fees	-	4,387	-	4,387
Total additions	<u>\$ 6,334</u>	<u>\$ 4,387</u>	<u>\$ -</u>	<u>\$ 10,721</u>
DEDUCTIONS				
Welfare costs	\$ 10,143	\$ -	\$ -	\$ 10,143
Sheriff fees remitted to State	-	4,387	-	4,387
Total deductions	<u>\$ 10,143</u>	<u>\$ 4,387</u>	<u>\$ -</u>	<u>\$ 14,530</u>
Net increase (decrease) in fiduciary net position	\$ (3,809)	\$ -	\$ -	\$ (3,809)
Net position - beginning	<u>30,296</u>	<u>-</u>	<u>8,500</u>	<u>38,796</u>
Net position - ending	<u><u>\$ 26,487</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,500</u></u>	<u><u>\$ 34,987</u></u>

Combining Balance Sheet
 Discretely Presented Component Unit - School Board
 June 30, 2022

	School Operating Fund	School Cafeteria Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ -	\$ 606,993	\$ 1,192,983	\$ 73,546	\$ 1,873,522
Receivables (net of allowance for uncollectibles):					
Accounts receivable	24,800	680	-	-	25,480
Due from primary government	47,438	-	-	-	47,438
Due from other governmental units	2,090,102	17,818	-	-	2,107,920
Total assets	<u>\$ 2,162,340</u>	<u>\$ 625,491</u>	<u>\$ 1,192,983</u>	<u>\$ 73,546</u>	<u>\$ 4,054,360</u>
LIABILITIES					
Accounts payable	\$ 118,259	\$ 13,123	\$ -	\$ -	\$ 131,382
Accrued liabilities	1,019,601	26,716	-	-	1,046,317
Reconciled overdraft payable	1,023,980	-	-	-	1,023,980
Total liabilities	<u>\$ 2,161,840</u>	<u>\$ 39,839</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,201,679</u>
FUND BALANCES					
Restricted:					
School activity funds	\$ -	\$ -	\$ -	\$ 73,546	\$ 73,546
Committed:					
Cafeteria operations	-	585,652	-	-	585,652
School capital projects	-	-	1,192,983	-	1,192,983
Unassigned:					
School operations	500	-	-	-	500
Total fund balances	<u>\$ 500</u>	<u>\$ 585,652</u>	<u>\$ 1,192,983</u>	<u>\$ 73,546</u>	<u>\$ 1,852,681</u>
Total liabilities and fund balances	<u>\$ 2,162,340</u>	<u>\$ 625,491</u>	<u>\$ 1,192,983</u>	<u>\$ 73,546</u>	<u>\$ 4,054,360</u>

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total fund balances per above	\$ 1,852,681
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Land	\$ 25,822
Buildings and improvements	7,513,500
Machinery, equipment, and vehicles	<u>1,530,258</u>
Total	9,069,580
The net pension asset is not available to pay for current-period expenditures and, therefore, is not reported in the funds.	858,856
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	
Pension related items	\$ 3,007,314
OPEB related items	<u>350,210</u>
Total	3,357,524
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	
Compensated absences	\$ (101,482)
Net pension liability	(7,764,650)
Net OPEB liabilities	<u>(2,426,213)</u>
Total	(10,292,345)
Deferred inflows of resources are not due and payable in the current period and, expenditures and, therefore, are not reported in the funds.	
Pension related items	\$ (7,826,864)
OPEB related items	<u>(701,093)</u>
Total	(8,527,957)
Net position (deficit) of governmental activities	<u>\$ (3,681,661)</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds - Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2022

REVENUES	School Operating Fund	School Cafeteria Fund	Capital Projects Fund	Nonmajor Governmental Fund	Total Governmental Funds
Revenue from the use of money and property	\$ 2,350	\$ -	\$ -	\$ -	\$ 2,350
Charges for services	-	77,556	-	-	77,556
Miscellaneous	853,980	22,415	-	244,376	1,120,771
Intergovernmental:					
Local government	7,648,133	-	775,701	-	8,423,834
Commonwealth	12,437,757	10,661	-	-	12,448,418
Federal	3,992,826	1,286,815	-	-	5,279,641
Total revenues	<u>\$ 24,935,046</u>	<u>\$ 1,397,447</u>	<u>\$ 775,701</u>	<u>\$ 244,376</u>	<u>\$ 27,352,570</u>
EXPENDITURES					
Current:					
Education	\$ 24,045,966	\$ 1,169,551	\$ -	\$ 219,849	\$ 25,435,366
Capital projects	807,481	-	-	-	807,481
Debt service:					
Principal retirement	80,192	-	-	-	80,192
Interest and other fiscal charges	1,407	-	-	-	1,407
Total expenditures	<u>\$ 24,935,046</u>	<u>\$ 1,169,551</u>	<u>\$ -</u>	<u>\$ 219,849</u>	<u>\$ 26,324,446</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 227,896</u>	<u>\$ 775,701</u>	<u>\$ 24,527</u>	<u>\$ 1,028,124</u>
Net change in fund balances	\$ -	\$ 227,896	\$ 775,701	\$ 24,527	\$ 1,028,124
Fund balances - beginning	500	357,756	417,282	49,019	824,557
Fund balances - ending	<u>\$ 500</u>	<u>\$ 585,652</u>	<u>\$ 1,192,983</u>	<u>\$ 73,546</u>	<u>\$ 1,852,681</u>
Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:					
Net change in fund balances - total governmental funds - per above				\$	1,028,124
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 the depreciation exceeded capital outlays in the current period.					
Capital asset additions				\$	1,147,071
Depreciation					(871,154)
Adjustment for jointly owned assets					492,543
Depreciation adjustment for jointly owned assets				<u>(200,964)</u>	567,496
Special contributions received from the Commonwealth for the teacher cost sharing pool are not reported in governmental funds.					61,357
The issuance of long-term obligations (e.g. bonds, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term obligations and related items.					
Payment of principal					80,192
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. This is the amount of change compared to the prior year.					
Decrease (increase) in compensated absences				\$	(11,804)
Pension expense					1,900,331
OPEB expense					103,755
Decrease (increase) in accrued interest payable				<u>1,304</u>	<u>1,993,586</u>
Change in net position of governmental activities				\$	<u>3,730,755</u>

COUNTY OF BRUNSWICK, 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, 2022

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 1,000	\$ 1,000	\$ 2,350	\$ 1,350
Charges for services	-	-	-	-
Miscellaneous	69,000	69,000	853,980	784,980
Intergovernmental:				
Local government	7,165,695	7,600,695	7,648,133	47,438
Commonwealth	11,921,181	12,055,958	12,437,757	381,799
Federal	3,975,965	5,266,962	3,992,826	(1,274,136)
Total revenues	<u>\$ 23,132,841</u>	<u>\$ 24,993,615</u>	<u>\$ 24,935,046</u>	<u>\$ (58,569)</u>
EXPENDITURES				
Current:				
Education	\$ 21,932,854	\$ 23,793,628	\$ 24,045,966	\$ (252,338)
Capital projects	1,114,293	1,114,293	807,481	306,812
Debt service:				
Principal retirement	85,694	85,694	80,192	5,502
Interest and other fiscal charges	-	-	1,407	(1,407)
Total expenditures	<u>\$ 23,132,841</u>	<u>\$ 24,993,615</u>	<u>\$ 24,935,046</u>	<u>\$ 58,569</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	500	500
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 500</u>

School Cafeteria Fund				School Capital Projects Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
176,000	176,000	77,556	(98,444)	-	-	-	-
7,000	7,000	22,415	15,415	-	-	-	-
-	-	-	-	-	-	775,701	775,701
155,000	188,000	10,661	(177,339)	-	-	-	-
1,040,000	1,040,000	1,286,815	246,815	-	-	-	-
<u>\$ 1,378,000</u>	<u>\$ 1,411,000</u>	<u>\$ 1,397,447</u>	<u>\$ (13,553)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 775,701</u>	<u>\$ 775,701</u>
\$ 1,378,000	\$ 1,411,000	\$ 1,169,551	\$ 241,449	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 1,378,000</u>	<u>\$ 1,411,000</u>	<u>\$ 1,169,551</u>	<u>\$ 241,449</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ 227,896	\$ 227,896	\$ -	\$ -	\$ 775,701	\$ 775,701
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ 227,896	\$ 227,896	\$ -	\$ -	\$ 775,701	\$ 775,701
-	-	357,756	357,756	-	-	417,282	417,282
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 585,652</u>	<u>\$ 585,652</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,192,983</u>	<u>\$ 1,192,983</u>

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SUPPORTING SCHEDULES

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Schedule of Revenues - Budget and Actual
Governmental Funds and Discretely Presented Component Unit School Board
For the Year Ended June 30, 2022

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 7,075,000	\$ 7,075,000	\$ 7,293,317	\$ 218,317
Real and personal public service corporation taxes	5,510,000	5,510,000	5,479,569	(30,431)
Personal property taxes	3,095,000	3,095,000	3,966,961	871,961
Mobile home taxes	39,000	39,000	39,638	638
Machinery and tools taxes	625,000	625,000	297,146	(327,854)
Merchants capital taxes	-	-	1,044	1,044
Penalties	105,000	105,000	160,910	55,910
Interest	54,800	54,800	90,438	35,638
Total general property taxes	<u>\$ 16,503,800</u>	<u>\$ 16,503,800</u>	<u>\$ 17,329,023</u>	<u>\$ 825,223</u>
Other local taxes:				
Local sales and use taxes	\$ 725,000	\$ 725,000	\$ 1,072,375	\$ 347,375
Consumers' utility taxes	255,000	255,000	257,247	2,247
Bank stock taxes	15,000	15,000	-	(15,000)
Franchise license taxes	30,000	30,000	33,548	3,548
Motor vehicle licenses	335,000	335,000	384,454	49,454
Taxes on recordation and wills	55,000	55,000	151,206	96,206
Utility consumption taxes	45,000	45,000	44,443	(557)
Hotel and motel room taxes	15,000	15,000	9,360	(5,640)
Total other local taxes	<u>\$ 1,475,000</u>	<u>\$ 1,475,000</u>	<u>\$ 1,952,633</u>	<u>\$ 477,633</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 24,000	\$ 24,000	\$ 14,102	\$ (9,898)
Zoning application fees	6,000	6,000	36,921	30,921
Transfer fees	600	600	853	253
Permits and other licenses	40,000	40,000	56,232	16,232
Total permits, privilege fees, and regulatory licenses	<u>\$ 70,600</u>	<u>\$ 70,600</u>	<u>\$ 108,108</u>	<u>\$ 37,508</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 1,616,614	\$ 1,774,707	\$ 1,860,823	\$ 86,116
Interest on court fines and forfeitures	-	-	10,769	10,769
Total fines and forfeitures	<u>\$ 1,616,614</u>	<u>\$ 1,774,707</u>	<u>\$ 1,871,592</u>	<u>\$ 96,885</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 46,300	\$ 46,300	\$ 42,422	\$ (3,878)
Revenue from use of property	22,600	22,600	33,764	11,164
Total revenue from use of money and property	<u>\$ 68,900</u>	<u>\$ 68,900</u>	<u>\$ 76,186</u>	<u>\$ 7,286</u>
Charges for services:				
Charges for law enforcement and traffic control	\$ 1,000	\$ 1,000	\$ 990	\$ (10)
Charges for courthouse maintenance	29,000	29,000	38,958	9,958
Charges for court costs	250,000	272,068	404,667	132,599
Charges for court costs - electronic summons fee	55,000	55,000	85,626	30,626
Law library fees	2,000	2,000	1,503	(497)
Charges for Commonwealth's Attorney	2,500	2,500	3,642	1,142

Schedule of Revenues - Budget and Actual
Governmental Funds and Discretely Presented Component Unit School Board
For the Year Ended June 30, 2022 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Charges for services: (Continued)				
Miscellaneous jail and inmate fees	\$ 6,000	\$ 6,000	\$ 6,438	\$ 438
Animal shelter fees	250	250	-	(250)
Charges for sanitation and waste removal	115,000	115,000	159,975	44,975
Charges for landfill host fees	200,000	200,000	587,517	387,517
Charges for planning and community development	2,000	2,000	941	(1,059)
Lease revenue	-	-	68,792	68,792
Charges for emergency transport	185,000	185,000	44,712	(140,288)
Total charges for services	<u>\$ 847,750</u>	<u>\$ 869,818</u>	<u>\$ 1,403,761</u>	<u>\$ 533,943</u>
Miscellaneous:				
Miscellaneous	\$ 30,000	\$ 67,517	\$ 806,162	\$ 738,645
Total miscellaneous	<u>\$ 30,000</u>	<u>\$ 67,517</u>	<u>\$ 806,162</u>	<u>\$ 738,645</u>
Recovered costs:				
Landfill inspection fees	\$ 140,000	\$ 140,000	\$ 160,132	\$ 20,132
Tax bills - Lawrenceville	2,000	2,000	741	(1,259)
School resource officer	96,345	96,345	96,345	-
Clerk of Circuit Court copy cost reimbursement	2,000	2,000	2,361	361
Sheriff contracted security	50,000	50,000	68,012	18,012
Insurance recovery	-	8,363	40,507	32,144
Total recovered costs	<u>\$ 290,345</u>	<u>\$ 298,708</u>	<u>\$ 368,098</u>	<u>\$ 69,390</u>
Total revenue from local sources	<u>\$ 20,903,009</u>	<u>\$ 21,129,050</u>	<u>\$ 23,915,563</u>	<u>\$ 2,786,513</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Grantor's tax	\$ 20,000	\$ 20,000	\$ 51,564	\$ 31,564
Mobile home titling tax	30,000	30,000	49,348	19,348
Games of skill tax	-	-	2,160	2,160
Rolling stock tax	5,000	5,000	4,198	(802)
Motor vehicle rental tax	-	-	4,720	4,720
Motor vehicle carrier's tax	-	-	867	867
State recordation tax	25,000	25,000	-	(25,000)
Personal property tax relief funds	1,355,735	1,355,735	1,355,736	1
Communication taxes	425,000	425,000	299,196	(125,804)
Moped and ATV taxes	-	-	41,008	41,008
Total noncategorical aid	<u>\$ 1,860,735</u>	<u>\$ 1,860,735</u>	<u>\$ 1,808,797</u>	<u>\$ (51,938)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 371,425	\$ 371,425	\$ 372,675	\$ 1,250
Sheriff	1,092,345	1,150,476	1,170,354	19,878
Commissioner of revenue	97,065	97,065	110,535	13,470
Treasurer	88,130	88,130	94,314	6,184
Registrar/electoral board	50,000	63,566	63,414	(152)
Clerk of the Circuit Court	216,355	216,355	264,655	48,300
Total shared expenses	<u>\$ 1,915,320</u>	<u>\$ 1,987,017</u>	<u>\$ 2,075,947</u>	<u>\$ 88,930</u>

Schedule of Revenues - Budget and Actual
Governmental Funds and Discretely Presented Component Unit School Board
For the Year Ended June 30, 2022 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid:				
Emergency medical services - four for life	\$ 19,500	\$ 19,500	\$ 16,104	\$ (3,396)
Fire program funds	44,000	44,000	62,331	18,331
Litter control grant	6,389	8,848	8,848	-
911 services board grant	73,000	73,000	6,963	(66,037)
Rescue squad assistance grant	-	-	6,784	6,784
Victim witness grant	29,048	29,048	33,456	4,408
PSAP - Phase II - Wireless	100,000	100,000	87,903	(12,097)
VDOT Revenue sharing	-	-	263	263
DMV license agent commission	25,000	27,192	68,822	41,630
Drug forfeiture funds	50,000	50,000	-	(50,000)
Arts Grant	4,500	4,500	4,500	-
Pesticide grant	1,875	1,875	1,790	(85)
Lyngbya remediation	-	400,000	800,000	400,000
Other grants	40,000	50,000	86,986	36,986
Total other categorical aid	<u>\$ 393,312</u>	<u>\$ 807,963</u>	<u>\$ 1,184,750</u>	<u>\$ 376,787</u>
Total categorical aid	<u>\$ 2,308,632</u>	<u>\$ 2,794,980</u>	<u>\$ 3,260,697</u>	<u>\$ 465,717</u>
Total revenue from the Commonwealth	<u>\$ 4,169,367</u>	<u>\$ 4,655,715</u>	<u>\$ 5,069,494</u>	<u>\$ 413,779</u>
Revenue from the federal government:				
Categorical aid:				
Byrne grant	\$ -	\$ 18,750	\$ 22,973	\$ 4,223
Emergency management grants	-	-	7,353	7,353
Victim witness grant	97,101	97,101	78,066	(19,035)
Coronavirus state and local fiscal recovery fund	-	87,015	87,015	-
CARES Act funding	-	539,536	287,396	(252,140)
CESF grant	-	80,180	18,282	(61,898)
CDBG small business recovery assistance fund	-	201,549	201,548	(1)
Other federal funds	-	27,567	24,683	(2,884)
Total categorical aid	<u>\$ 97,101</u>	<u>\$ 1,051,698</u>	<u>\$ 727,316</u>	<u>\$ (324,382)</u>
Total revenue from the federal government	<u>\$ 97,101</u>	<u>\$ 1,051,698</u>	<u>\$ 727,316</u>	<u>\$ (324,382)</u>
Total General Fund	<u><u>\$ 25,169,477</u></u>	<u><u>\$ 26,836,463</u></u>	<u><u>\$ 29,712,373</u></u>	<u><u>\$ 2,875,910</u></u>

Schedule of Revenues - Budget and Actual
Governmental Funds and Discretely Presented Component Unit School Board
For the Year Ended June 30, 2022 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Revenue from local sources:				
Miscellaneous:				
Expenditure refunds	\$ -	\$ -	\$ 1,868	\$ 1,868
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ 595,813	\$ 606,319	\$ 743,086	\$ 136,767
Special Revenue Funds: (Continued)				
Virginia Public Assistance Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 1,377,415	\$ 1,377,415	\$ 1,358,113	\$ (19,302)
Total Virginia Public Assistance Fund	<u>\$ 1,973,228</u>	<u>\$ 1,983,734</u>	<u>\$ 2,103,067</u>	<u>\$ 119,333</u>
Airport Commission Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Department of aviation grant	\$ 5,000	\$ 5,000	\$ 2,565	\$ (2,435)
Total Airport Commission Fund	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 2,565</u>	<u>\$ (2,435)</u>
Sheriff's Employee Fund:				
Revenue from local sources:				
Charges for services:				
Vending machine collections	\$ -	\$ -	\$ 991	\$ 991
Total charges for services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 991</u>	<u>\$ 991</u>
Miscellaneous revenue:				
Donations	\$ -	\$ -	\$ 1,015	\$ 1,015
Calendar advertisements	-	-	9,606	9,606
Total miscellaneous revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,621</u>	<u>\$ 10,621</u>
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,612</u>	<u>\$ 11,612</u>
Total Sheriff's Employee Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,612</u>	<u>\$ 11,612</u>

Schedule of Revenues - Budget and Actual

Governmental Funds and Discretely Presented Component Unit School Board

For the Year Ended June 30, 2022 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
CSA Fund:				
Revenue from local sources:				
Miscellaneous:				
Expenditure refunds	\$ 300	\$ 300	\$ -	\$ (300)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Comprehensive Services Act	\$ 619,440	\$ 619,440	\$ 337,314	\$ (282,126)
PSSF grant	1,710	1,710	1,513	(197)
Total revenue from the Commonwealth	<u>\$ 621,150</u>	<u>\$ 621,150</u>	<u>\$ 338,827</u>	<u>\$ (282,323)</u>
Revenue from the federal government:				
Categorical aid:				
TANF/SSBG - TITLE IV-E	\$ -	\$ -	\$ 77,843	\$ 77,843
PSSF grant	13,500	13,500	15,335	1,835
Total categorical aid	<u>\$ 13,500</u>	<u>\$ 13,500</u>	<u>\$ 93,178</u>	<u>\$ 79,678</u>
Total revenue from the federal government	<u>\$ 13,500</u>	<u>\$ 13,500</u>	<u>\$ 93,178</u>	<u>\$ 79,678</u>
Total CSA Fund	<u><u>\$ 634,950</u></u>	<u><u>\$ 634,950</u></u>	<u><u>\$ 432,005</u></u>	<u><u>\$ (202,945)</u></u>
Debt Service Fund:				
School Debt Service Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 1	\$ 1
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
Federal interest subsidy	\$ 60,538	\$ 60,538	\$ 61,319	\$ 781
Total School Debt Service Fund	<u>\$ 60,538</u>	<u>\$ 60,538</u>	<u>\$ 61,320</u>	<u>\$ 782</u>

Schedule of Revenues - Budget and Actual
 Governmental Funds and Discretely Presented Component Unit School Board
 For the Year Ended June 30, 2022 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Capital Projects Funds:				
County Capital Improvements Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	1,265,000	1,265,000	1,269,109	4,109
Real and personal public service corporation taxes	1,010,000	1,010,000	986,762	(23,238)
Personal property taxes				-
Mobile home taxes	6,900	6,900	6,711	(189)
Penalties	10,860	10,860	9,351	(1,509)
Interest	5,000	5,000	2,174	(2,826)
Total general property taxes	<u>2,297,760</u>	<u>2,297,760</u>	<u>2,274,107</u>	<u>(23,653)</u>
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 78,780	\$ 78,780
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Tobacco grant	\$ -	\$ 32,854	\$ 32,854	\$ -
Revenue from the federal government:				
Categorical aid:				
Community Development Block Grants	\$ 500,000	\$ 550,000	\$ 145,551	\$ (404,449)
Total County Capital Improvements Fund	<u>\$ 2,797,760</u>	<u>\$ 2,913,469</u>	<u>\$ 2,531,906</u>	<u>\$ (381,563)</u>
Total Primary Government	<u>\$ 30,640,953</u>	<u>\$ 32,434,154</u>	<u>\$ 34,854,848</u>	<u>\$ 2,420,694</u>

Schedule of Revenues - Budget and Actual
 Governmental Funds and Discretely Presented Component Unit School Board
 For the Year Ended June 30, 2022 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 1,000	\$ 1,000	\$ 2,350	\$ 1,350
Miscellaneous:				
E-Rate	\$ -	\$ -	\$ 722,235	\$ 722,235
Other miscellaneous	69,000	69,000	131,745	62,745
Total miscellaneous	\$ 69,000	\$ 69,000	\$ 853,980	\$ 784,980
Total revenue from local sources	\$ 70,000	\$ 70,000	\$ 856,330	\$ 786,330
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Brunswick, Virginia	\$ 7,165,695	\$ 7,600,695	\$ 7,648,133	\$ 47,438
Total revenues from local governments	\$ 7,165,695	\$ 7,600,695	\$ 7,648,133	\$ 47,438
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,247,656	\$ 2,247,656	\$ 2,795,469	\$ 547,813
Basic school aid	4,234,404	4,234,404	4,118,366	(116,038)
Remedial summer education	39,522	39,522	97,715	58,193
Special education foster care	18,204	18,204	11,456	(6,748)
Adult secondary education	8,386	8,386	48,601	40,215
Gifted and talented	40,890	40,890	41,764	874
Remedial education	314,775	314,775	321,500	6,725
Enrollment Loss	61,173	61,173	0	(61,173)
Special education	835,542	835,542	853,395	17,853
Special education jails	44,876	44,876	22,867	(22,009)
Textbook payment	82,914	82,914	66,033	(16,881)
Vocational standards of quality payments	122,670	122,670	125,291	2,621
Vocational education - equipment	45,902	45,902	4,656	(41,246)
Social security fringe benefits	295,487	295,487	301,801	6,314
Retirement fringe benefits	688,184	688,184	702,888	14,704
Group life fringe benefits	20,831	20,831	21,276	445
Infrastructure and Operations Per Pupil Allocation	311,909	311,909	338,894	26,985
Early reading intervention	34,508	34,508	87,286	52,778
Homebound education	2,832	2,832	397	(2,435)
At risk payments	948,527	948,527	969,020	20,493
Virginia preschool initiative	157,356	157,356	152,985	(4,371)

Schedule of Revenues - Budget and Actual
Governmental Funds and Discretely Presented Component Unit School Board
For the Year Ended June 30, 2022 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
State disparity initiatives	\$ 273,062	\$ 273,062	\$ 286,206	\$ 13,144
Alternative education	447,415	555,192	447,415	(107,777)
Technology	206,000	206,000	89,670	(116,330)
Standards of Learning algebra readiness	30,711	30,711	32,797	2,086
Mentor teacher program	3,152	3,152	-	(3,152)
English as a second language	23,765	23,765	18,028	(5,737)
Industry Certification	-	-	2,396	2,396
E-learning backpack initiative	-	-	55,600	55,600
Project Graduation	4,171	4,171	7,303	3,132
Math Reading Spec Initiative	-	-	41,957	41,957
Positive Behavioral Intervention and Support	-	-	26,000	26,000
CTE Equipment and Other Grants	-	-	4,482	4,482
Other state funds	58,173	85,173	14,145	(71,028)
Total categorical aid	<u>\$ 11,921,181</u>	<u>\$ 12,055,958</u>	<u>\$ 12,437,757</u>	<u>\$ 381,799</u>
Total revenue from the Commonwealth	<u>\$ 11,921,181</u>	<u>\$ 12,055,958</u>	<u>\$ 12,437,757</u>	<u>\$ 381,799</u>
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 783,392	\$ 867,526	\$ 936,786	\$ 69,260
Title II, Part A	108,778	108,778	92,561	(16,217)
Title VI-B, special education flow-through	480,166	480,166	403,393	(76,773)
Vocational education	47,192	47,192	49,772	2,580
Title VI-B, special education pre-school	12,048	12,048	12,428	380
Rural and low income schools	31,610	31,610	35,803	4,193
Title III, Part A, english proficiency	-	-	1,514	1,514
JROTC	51,000	51,000	58,855	7,855
School Improvement Grants	55,315	129,424	87,959	(41,465)
CARES Act - ESSERF Funds	2,406,464	3,539,218	2,313,621	(1,225,597)
Other federal funds	-	-	134	134
Total categorical aid	<u>\$ 3,975,965</u>	<u>\$ 5,266,962</u>	<u>\$ 3,992,826</u>	<u>\$ (1,274,136)</u>
Total revenue from the federal government	<u>\$ 3,975,965</u>	<u>\$ 5,266,962</u>	<u>\$ 3,992,826</u>	<u>\$ (1,274,136)</u>
Total School Operating Fund	<u>\$ 23,132,841</u>	<u>\$ 24,993,615</u>	<u>\$ 24,935,046</u>	<u>\$ (58,569)</u>
Special Revenue Fund:				
School Cafeteria Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	\$ 176,000	\$ 176,000	\$ 77,556	\$ (98,444)

Schedule of Revenues - Budget and Actual
Governmental Funds and Discretely Presented Component Unit School Board
For the Year Ended June 30, 2022 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
Special Revenue Fund: (Continued)				
School Cafeteria Fund: (Continued)				
Miscellaneous:				
Other miscellaneous	\$ 7,000	\$ 7,000	\$ 3,415	\$ (3,585)
No kid hungry grant	-	-	19,000	19,000
Total miscellaneous revenue	<u>\$ 7,000</u>	<u>\$ 7,000</u>	<u>\$ 22,415</u>	<u>\$ 15,415</u>
Total revenue from local sources	<u>\$ 183,000</u>	<u>\$ 183,000</u>	<u>\$ 99,971</u>	<u>\$ (83,029)</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 155,000	\$ 155,000	\$ 8,255	\$ (146,745)
School breakfast program	-	-	2,406	2,406
Total categorical aid	<u>\$ 155,000</u>	<u>\$ 188,000</u>	<u>\$ 10,661</u>	<u>\$ (177,339)</u>
Total revenue from the Commonwealth	<u>\$ 155,000</u>	<u>\$ 188,000</u>	<u>\$ 10,661</u>	<u>\$ (177,339)</u>
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 920,000	\$ 920,000	\$ 1,120,748	\$ 200,748
Fresh fruit and vegetables grant	-	-	45,992	45,992
Summer feeding program	45,000	45,000	38,449	(6,551)
Commodities	-	-	78,563	78,563
Pandemic EBT	75,000	75,000	3,063	(71,937)
Total categorical aid	<u>\$ 1,040,000</u>	<u>\$ 1,040,000</u>	<u>\$ 1,286,815</u>	<u>\$ 246,815</u>
Total revenue from the federal government	<u>\$ 1,040,000</u>	<u>\$ 1,040,000</u>	<u>\$ 1,286,815</u>	<u>\$ 246,815</u>
Total School Cafeteria Fund	<u><u>\$ 1,378,000</u></u>	<u><u>\$ 1,411,000</u></u>	<u><u>\$ 1,397,447</u></u>	<u><u>\$ (13,553)</u></u>
Nonmajor Special Revenue Fund:				
School Activity Funds:				
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 244,376	\$ 244,376
Total miscellaneous revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 244,376</u>	<u>\$ 244,376</u>
Total School Activity Funds	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 244,376</u></u>	<u><u>\$ 244,376</u></u>

Schedule of Revenues - Budget and Actual
Governmental Funds and Discretely Presented Component Unit School Board
For the Year Ended June 30, 2022 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
Special Revenue Fund: (Continued)				
Capital Projects Fund:				
School Capital Improvements Fund:				
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Brunswick, Virginia	\$ -	\$ -	\$ 775,701	\$ 775,701
Total revenues from local governments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 775,701</u>	<u>\$ 775,701</u>
Total School Capital Improvements Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 775,701</u>	<u>\$ 775,701</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 24,510,841</u>	<u>\$ 26,404,615</u>	<u>\$ 27,352,570</u>	<u>\$ 947,955</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds and Discretely Presented Component Unit School Board
For the Year Ended June 30, 2022

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 231,009	\$ 417,354	\$ 492,610	\$ (75,256)
General and financial administration:				
County administrator	\$ 378,248	\$ 392,197	385,856	\$ 6,341
Independent auditor	40,000	55,000	55,000	-
Commissioner of revenue	256,509	256,509	234,687	21,822
Treasurer	284,184	284,184	278,848	5,336
Finance department	275,563	241,639	220,443	21,196
Information Technology	88,556	160,972	144,240	16,732
DMV select	106,927	109,119	109,118	1
Total general and financial administration	<u>\$ 1,429,987</u>	<u>\$ 1,499,620</u>	<u>\$ 1,428,192</u>	<u>\$ 71,428</u>
Board of elections:				
Electoral board and officials	\$ 107,447	\$ 107,447	\$ 97,251	\$ 10,196
Registrar	137,320	156,700	156,689	11
Total board of elections	<u>\$ 244,767</u>	<u>\$ 264,147</u>	<u>\$ 253,940</u>	<u>\$ 10,207</u>
Total general government administration				
	<u>\$ 1,905,763</u>	<u>\$ 2,181,121</u>	<u>\$ 2,174,742</u>	<u>\$ 6,379</u>
Judicial administration:				
Courts:				
Circuit court	\$ 47,780	\$ 47,780	\$ 34,398	\$ 13,382
General district court	69,893	69,935	69,934	1
Special magistrates	950	950	523	427
Clerk of the circuit court	371,366	391,607	384,214	7,393
Law library	2,000	2,000	1,205	795
Victim/witness assistance program	148,390	153,363	153,363	-
Courthouse security	600,273	621,841	614,718	7,123
Total courts	<u>\$ 1,240,652</u>	<u>\$ 1,287,476</u>	<u>\$ 1,258,355</u>	<u>\$ 29,121</u>
Commonwealth's attorney:				
Commonwealth's attorney	\$ 746,561	\$ 761,120	\$ 703,841	\$ 57,279
Asset forfeiture	15,000	15,000	8,365	6,635
Total commonwealth's attorney	<u>\$ 761,561</u>	<u>\$ 776,120</u>	<u>\$ 712,206</u>	<u>\$ 63,914</u>
Total judicial administration				
	<u>\$ 2,002,213</u>	<u>\$ 2,063,596</u>	<u>\$ 1,970,561</u>	<u>\$ 93,035</u>
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 2,991,882	\$ 3,667,510	\$ 3,633,984	\$ 33,526
Sheriff - line of duty	41,210	41,210	41,210	-
Asset forfeiture	35,000	35,000	4,800	30,200
E911 system	973,413	1,004,770	800,398	204,372
School resource officer	363,898	380,046	379,707	339
E-Summons System	55,000	57,530	57,530	-
Total law enforcement and traffic control	<u>\$ 4,460,403</u>	<u>\$ 5,186,066</u>	<u>\$ 4,917,629</u>	<u>\$ 268,437</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds and Discretely Presented Component Unit School Board
For the Year Ended June 30, 2022 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public safety: (Continued)				
Fire and rescue services:				
Fire and rescue	\$ 1,168,665	\$ 1,168,665	\$ 1,142,122	\$ 26,543
Brunswick EMS	774,201	802,346	632,847	169,499
Mecklenburg-Brunswick Fire Training	20,000	20,000	20,000	-
Medflight program	300	300	300	-
Division of forestry	21,915	21,915	21,915	-
Total fire and rescue services	<u>\$ 1,985,081</u>	<u>\$ 2,013,226</u>	<u>\$ 1,817,184</u>	<u>\$ 196,042</u>
Correction and detention:				
Meherrin River Regional Jail Authority	\$ 2,988,972	\$ 2,697,622	\$ 2,697,622	\$ -
VJCCCA	635	4,244	1,820	2,424
Probation office	151,410	57,878	33,485	24,393
Total correction and detention	<u>\$ 3,141,017</u>	<u>\$ 2,759,744</u>	<u>\$ 2,732,927</u>	<u>\$ 26,817</u>
Inspections:				
Building	\$ 153,203	\$ 153,203	\$ 152,249	\$ 954
Total inspections	<u>\$ 153,203</u>	<u>\$ 153,203</u>	<u>\$ 152,249</u>	<u>\$ 954</u>
Other protection:				
Animal control	\$ 162,383	\$ 162,383	\$ 158,472	\$ 3,911
Medical examiner	270	270	140	130
Emergency mangement services	111,070	124,052	147,864	(23,812)
Total other protection	<u>\$ 273,723</u>	<u>\$ 286,705</u>	<u>\$ 306,476</u>	<u>\$ (19,771)</u>
Total public safety	<u>\$ 10,013,427</u>	<u>\$ 10,398,944</u>	<u>\$ 9,926,465</u>	<u>\$ 472,479</u>
Public works:				
Sanitation and waste removal:				
Refuse collection and disposal	\$ 986,898	\$ 1,069,345	\$ 1,069,344	\$ 1
Litter control	6,389	8,848	8,787	61
Inmate work force program	176,058	190,017	189,354	663
Lake Gaston weed control	90,000	490,000	490,000	-
Total sanitation and waste removal	<u>\$ 1,259,345</u>	<u>\$ 1,758,210</u>	<u>\$ 1,757,485</u>	<u>\$ 725</u>
Maintenance of general buildings and grounds:				
General properties	\$ 461,868	\$ 553,527	\$ 557,750	\$ (4,223)
Courthouse maintenance	29,000	29,000	28,485	515
General engineering/administration	335,844	335,844	312,370	23,474
Total maintenance of general buildings and grounds	<u>\$ 826,712</u>	<u>\$ 918,371</u>	<u>\$ 898,605</u>	<u>\$ 19,766</u>
Total public works	<u>\$ 2,086,057</u>	<u>\$ 2,676,581</u>	<u>\$ 2,656,090</u>	<u>\$ 20,491</u>
Health and welfare:				
Health:				
Supplement of local health department	\$ 107,053	\$ 107,053	\$ 107,053	\$ -
Total health	<u>\$ 107,053</u>	<u>\$ 107,053</u>	<u>\$ 107,053</u>	<u>\$ -</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds and Discretely Presented Component Unit School Board
For the Year Ended June 30, 2022 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Health and welfare: (Continued)				
Mental health and mental retardation:				
Southside Community Services Board	\$ 80,475	\$ 80,475	\$ 80,475	\$ -
Welfare:				
Local area on aging	\$ 2,500	\$ 2,500	\$ 2,500	\$ -
Veteran's exemption on real estate	-	-	41,286	(41,286)
Southside senior citizens center	3,848	3,848	3,848	-
Virginia legal aid contribution	5,000	5,000	5,000	-
Total welfare	<u>\$ 11,348</u>	<u>\$ 11,348</u>	<u>\$ 52,634</u>	<u>\$ (41,286)</u>
Total health and welfare	<u>\$ 198,876</u>	<u>\$ 198,876</u>	<u>\$ 240,162</u>	<u>\$ (41,286)</u>
Education:				
Other instructional costs:				
Contributions to Southside Virginia Community College	\$ 8,663	\$ 8,663	\$ 8,663	\$ -
Contribution to County School Board	7,165,695	7,600,695	8,423,834	(823,139)
Head Start program	61,240	61,240	61,240	-
Total education	<u>\$ 7,235,598</u>	<u>\$ 7,670,598</u>	<u>\$ 8,493,737</u>	<u>\$ (823,139)</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Recreation youth league	\$ 12,505	\$ 12,505	\$ 12,505	\$ -
Water safety council	3,500	3,752	3,752	-
Bowling alley	-	15,980	15,980	-
Total parks and recreation	<u>\$ 16,005</u>	<u>\$ 32,237</u>	<u>\$ 32,237</u>	<u>\$ -</u>
Cultural enrichment:				
Chamber of commerce	\$ 6,000	\$ 11,000	\$ 11,000	\$ -
Tourism association	136,574	165,152	150,843	14,309
Virginia's retreat	-	4,500	4,500	-
Taste of Brunswick festival	5,000	5,000	5,000	-
Fort Christanna Preservation	5,000	34,652	-	34,652
Total cultural enrichment	<u>\$ 157,574</u>	<u>\$ 225,304</u>	<u>\$ 176,343</u>	<u>\$ 48,961</u>
Library:				
Contribution to regional library	\$ 212,885	\$ 212,885	\$ 212,885	\$ -
Total parks, recreation, and cultural	<u>\$ 386,464</u>	<u>\$ 470,426</u>	<u>\$ 421,465</u>	<u>\$ 48,961</u>
Community development:				
Planning and community development:				
Planning	\$ 252,370	\$ 312,582	\$ 261,849	\$ 50,733
Small business recovery assistance	-	201,549	201,548	1
COVID assistance to other entities	-	2,636	2,636	-
Broadband	-	536,900	278,626	258,274
Economic development	268,017	293,861	285,514	8,347
Contribution to Industrial Development Authority	-	200,000	200,000	-
Regional planning commission	23,793	23,793	23,793	-
Roanoke River Regional Business Park	5,000	5,000	-	5,000
Brunswick literacy council	3,501	3,501	3,501	-
Mecklenburg - Brunswick regional airport	40,000	40,000	40,000	-
Art bank	10,000	10,000	10,000	-
Total planning and community development	<u>\$ 602,681</u>	<u>\$ 1,629,822</u>	<u>\$ 1,307,467</u>	<u>\$ 322,355</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds and Discretely Presented Component Unit School Board
For the Year Ended June 30, 2022 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Community development: (Continued)				
Environmental management:				
Contribution to soil and water district	\$ 11,543	\$ 11,543	\$ 11,543	\$ -
Cooperative extension program:				
Extension office	\$ 98,563	\$ 98,563	\$ 66,606	\$ 31,957
Total community development	\$ 712,787	\$ 1,739,928	\$ 1,385,616	\$ 354,312
Capital projects:				
Other capital projects	\$ 7,500	\$ 7,500	\$ 7,500	\$ -
Airport renovations	-	9,112	4,889	4,223
Total capital projects	\$ 7,500	\$ 16,612	\$ 12,389	\$ 4,223
Debt service:				
Principal retirement	\$ 599,736	\$ 599,736	\$ 624,553	\$ (24,817)
Interest and other fiscal charges	375,098	375,098	329,174	45,924
Total debt service	\$ 974,834	\$ 974,834	\$ 953,727	\$ 21,107
Total General Fund	\$ 25,523,519	\$ 28,391,516	\$ 28,234,954	\$ 156,562
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Health and welfare:				
Welfare and social services:				
Welfare administration	\$ 2,014,696	\$ 2,038,429	\$ 2,027,923	\$ 10,506
Public assistance	489,694	516,467	526,973	(10,506)
Total welfare and social services	\$ 2,504,390	\$ 2,554,896	\$ 2,554,896	\$ -
Total Virginia Public Assistance Fund	\$ 2,504,390	\$ 2,554,896	\$ 2,554,896	\$ -
Airport Commission Fund:				
Public works:				
Maintenance of general buildings and grounds	\$ 28,969	\$ 36,337	\$ 33,901	\$ 2,436
Total Airport Commission Fund	\$ 28,969	\$ 36,337	\$ 33,901	\$ 2,436
Sheriff's Employee Fund:				
Public safety:				
Law enforcement and traffic control:				
Sheriff employee flowers and gifts	\$ -	\$ -	\$ 4,366	\$ (4,366)
Sheriff vending machine supplies	-	-	678	(678)
Calendars	-	-	4,007	(4,007)
Miscellaneous	-	-	5,860	(5,860)
Total public safety	\$ -	\$ -	\$ 14,911	\$ (14,911)
Total Sheriff's Employee Fund	\$ -	\$ -	\$ 14,911	\$ (14,911)
CSA Fund:				
Health and welfare:				
Welfare and social services:				
Comprehensive services	\$ 1,045,000	\$ 1,045,000	\$ 589,372	\$ 455,628
Total CSA Fund	\$ 1,045,000	\$ 1,045,000	\$ 589,372	\$ 455,628

Schedule of Expenditures - Budget and Actual
Governmental Funds and Discretely Presented Component Unit School Board
For the Year Ended June 30, 2022 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Debt Service Fund:				
School Debt Service Fund:				
Debt service:				
Principal retirement	\$ 492,543	\$ 492,543	\$ 492,543	\$ -
Interest and other fiscal charges	223,772	223,772	163,235	60,537
Total School Debt Service Fund	<u>\$ 716,315</u>	<u>\$ 716,315</u>	<u>\$ 655,778</u>	<u>\$ 60,537</u>
Capital Projects Funds:				
County Capital Improvements Fund:				
Capital projects:				
New school	\$ -	\$ 2,966,348	\$ 2,966,348	\$ -
Economic development	-	101,870	101,870	-
Road projects - VDOT	25,000	75,000	-	75,000
Township Road housing project	-	50,000	50,000	-
Project whitehouse	-	20,805	20,805	-
Administrative fees - Southside planning district commission	500,000	500,000	93,076	406,924
Total capital projects	<u>\$ 525,000</u>	<u>\$ 3,714,023</u>	<u>\$ 3,232,099</u>	<u>\$ 481,924</u>
Debt service:				
Principal retirement	\$ 2,297,760	\$ 2,297,760	\$ -	\$ 2,297,760
Issuance costs	-	126,839	226,206	(99,367)
Total debt service	<u>\$ 2,297,760</u>	<u>\$ 2,424,599</u>	<u>\$ 226,206</u>	<u>\$ 2,198,393</u>
Total County Capital Improvements Fund	<u>\$ 2,822,760</u>	<u>\$ 6,138,622</u>	<u>\$ 3,458,305</u>	<u>\$ 2,680,317</u>
Total Primary Government	<u>\$ 32,640,953</u>	<u>\$ 38,882,686</u>	<u>\$ 35,542,117</u>	<u>\$ 3,340,569</u>
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Instruction costs:				
Elementary and secondary schools	\$ 10,489,971	\$ 10,489,971	\$ 10,912,709	\$ (422,738)
Guidance services	419,751	419,751	402,706	17,045
Homebound instruction	7,971	7,971	8,209	(238)
Other instructional costs	3,018,505	4,444,279	5,181,418	(737,139)
Media services	262,249	262,249	239,413	22,836
Office of the principal	1,184,217	1,184,217	1,056,249	127,968
Total instruction costs	<u>\$ 15,382,664</u>	<u>\$ 16,808,438</u>	<u>\$ 17,800,704</u>	<u>\$ (992,266)</u>
Operating costs:				
Administration, attendance and health services	\$ 1,099,210	\$ 1,099,210	\$ 2,003,844	\$ (904,634)
Pupil transportation	2,161,573	2,161,573	2,242,056	(80,483)
Operation and maintenance of school plant	3,289,407	3,724,407	1,998,523	1,725,884
School food service and other non-instructional	-	-	839	(839)
Total operating costs	<u>\$ 6,550,190</u>	<u>\$ 6,985,190</u>	<u>\$ 6,245,262</u>	<u>\$ 739,928</u>
Total education	<u>\$ 21,932,854</u>	<u>\$ 23,793,628</u>	<u>\$ 24,045,966</u>	<u>\$ (252,338)</u>
Capital projects:				
Technology	\$ 1,114,293	\$ 1,114,293	\$ 807,481	\$ 306,812
Total capital projects	<u>\$ 1,114,293</u>	<u>\$ 1,114,293</u>	<u>\$ 807,481</u>	<u>\$ 306,812</u>
Debt service:				
Principal retirement	\$ 85,694	\$ 85,694	\$ 80,192	\$ 5,502
Interest and other fiscal charges	-	-	1,407	(1,407)
Total debt service	<u>\$ 85,694</u>	<u>\$ 85,694</u>	<u>\$ 81,599</u>	<u>\$ 4,095</u>
Total School Operating Fund	<u>\$ 23,132,841</u>	<u>\$ 24,993,615</u>	<u>\$ 24,935,046</u>	<u>\$ 58,569</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds and Discretely Presented Component Unit School Board
For the Year Ended June 30, 2022 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Fund:				
School Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ 1,378,000	\$ 1,411,000	\$ 1,169,551	\$ 241,449
Total School Cafeteria Fund	<u>\$ 1,378,000</u>	<u>\$ 1,411,000</u>	<u>\$ 1,169,551</u>	<u>\$ 241,449</u>
Nonmajor Special Revenue Fund:				
School Activity Funds:				
Education:				
Instructional services:				
Other instructional services	\$ -	\$ -	\$ 219,849	\$ (219,849)
Total School Activity Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 219,849</u>	<u>\$ (219,849)</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 24,510,841</u>	<u>\$ 26,404,615</u>	<u>\$ 26,324,446</u>	<u>\$ 80,169</u>

STATISTICAL INFORMATION

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COUNTY OF BRUNSWICK, VIRGINIA

Government-Wide Expenses by Function
Last Ten Fiscal Years

Fiscal Year	General										Interest on Long-Term Debt	Total
	Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development				
2012-13	\$ 1,505,451	\$ 1,312,334	\$ 6,574,329	\$ 1,408,843	\$ 2,465,150	\$ 5,871,279	\$ 252,293	\$ 1,570,574	\$ 519,431	\$ 21,479,684		
2013-14	1,648,242	1,414,529	6,487,385	1,339,319	2,659,973	5,063,297	259,810	3,813,096	800,519	23,486,170		
2014-15	1,579,943	1,307,752	6,000,403	1,306,627	2,567,376	5,262,095	266,468	1,366,109	665,363	20,322,136		
2015-16	1,559,145	1,375,338	7,059,685	1,399,968	2,772,335	5,815,545	257,645	1,010,181	633,693	21,883,535		
2016-17	1,822,713	1,459,765	7,167,141	1,704,854	2,980,849	5,434,742	255,735	677,268	583,281	22,086,348		
2017-18	1,985,432	1,529,147	7,746,153	1,707,126	2,872,766	6,303,988	307,427	855,923	616,694	23,924,656		
2018-19	1,741,196	1,531,103	8,780,522	1,961,707	3,189,487	6,562,690	488,124	1,297,820	803,462	26,356,111		
2019-20	2,426,306	1,653,439	9,675,222	2,197,407	3,242,931	6,381,182	455,194	1,091,047	559,832	27,682,560		
2020-21	2,267,710	1,981,344	10,814,097	2,148,169	3,100,748	8,097,331	432,164	1,113,599	672,560	30,627,722		
2021-22	2,381,985	1,992,778	10,237,615	2,696,137	3,360,532	8,773,939	515,069	1,596,228	1,206,795	32,761,078		

COUNTY OF BRUNSWICK, VIRGINIA

Table 2

Government-Wide Revenues
Last Ten Fiscal Years

Fiscal Year	PROGRAM REVENUES					GENERAL REVENUES					Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes (2)	Other Local Taxes (1)	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions			
								Not Restricted	to Specific Programs		
2012-13	\$ 1,867,072	\$ 4,018,912	\$ 1,011,564	\$ 9,372,346	\$ 1,619,833	\$ 203,654	\$ 88,291	\$ 1,788,436	\$ 19,970,108		
2013-14	1,630,651	4,160,447	392,015	9,313,663	4,033,028	122,685	213,594	1,867,531	21,733,614		
2014-15	1,571,419	4,071,497	166,588	9,703,330	3,068,643	123,332	71,038	1,835,661	20,611,508		
2015-16	1,684,807	4,191,607	238,644	11,788,542	1,899,602	133,637	150,380	1,825,892	21,913,111		
2016-17	2,329,785	4,297,335	682,187	14,348,055	1,617,595	139,209	140,896	1,825,375	25,380,437		
2017-18	2,369,366	4,589,867	630,396	15,331,809	1,702,794	163,660	95,138	1,890,960	26,773,990		
2018-19	2,636,357	4,839,710	716,188	15,980,713	1,231,660	175,557	161,688	1,801,300	27,543,173		
2019-20	2,538,956	4,940,591	905,845	16,396,646	1,738,812	178,543	182,125	1,825,066	28,706,584		
2020-21	3,097,616	7,353,094	962,401	16,390,648	1,950,781	130,317	114,351	1,807,419	31,806,627		
2021-22	3,384,452	6,523,782	239,724	19,726,462	1,952,633	154,967	819,265	1,808,797	34,610,082		

(1) In FY14, sales tax increased due to construction of a new Dominion Virginia power plant.

(2) In FY16, Public Service Corporation taxes increased due to the new Dominion Virginia power plant.

(2) In FY21, spent CARES funding in response to COVID pandemic.

COUNTY OF BRUNSWICK, VIRGINIA

Table 3

General Governmental Expenditures by Function (1) (2)
Last Ten Fiscal Years

Fiscal Year	General Government										Total
	Admi- stration (5)	Judicial Admi- stration	Public Safety	Public Works	Health and Welfare	Education (3)	Parks, Recreation, and Cultural	Community Development (4)	Debt Service		
2011-12	\$ 1,477,604	\$ 911,170	\$ 5,588,300	\$ 1,404,443	\$ 2,503,135	\$ 22,001,800	\$ 240,993	\$ 361,338	\$ 1,373,722	\$ 35,862,505	
2012-13	1,368,274	1,314,772	5,008,806	1,487,373	2,436,281	21,755,135	221,149	358,448	1,337,326	35,287,564	
2013-14	1,426,940	1,413,644	6,342,689	1,686,456	2,649,948	21,482,142	233,274	3,687,442	1,764,803	40,687,338	
2014-15	1,438,319	1,386,757	6,575,863	1,396,182	2,583,091	21,170,800	239,931	1,363,728	1,716,178	37,870,849	
2015-16	1,568,035	1,483,160	7,051,045	1,812,155	2,834,258	20,966,306	231,108	555,642	1,781,620	38,283,329	
2016-17	1,576,848	1,450,499	7,260,047	1,671,037	3,026,057	21,486,186	229,720	579,735	2,169,963	39,450,092	
2017-18	1,821,500	1,585,807	7,868,156	1,763,901	3,025,512	22,795,587	255,023	470,141	1,476,193	41,061,820	
2018-19	1,707,746	1,664,721	8,926,927	2,090,744	3,297,090	22,298,807	491,594	594,805	4,589,478	45,661,912	
2019-20	2,252,167	1,725,007	9,575,977	2,270,379	3,209,710	21,466,193	360,505	668,448	1,727,620	43,256,006	
2020-21	2,309,616	1,910,601	10,342,565	2,055,426	3,074,400	21,514,818	338,266	984,405	4,820,079	47,350,176	
2021-22	2,174,742	1,970,561	9,941,376	2,689,991	3,384,430	26,394,349	421,465	1,385,616	1,835,711	50,198,241	

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

(2) Beginning in 2014, includes contributions, equipment purchases, and debt service reported in the capital projects funds.

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

(4) In FY14, the County issued debt to fund the IDA's Rt 58 water/wastewater line project. Although the County funded the project, the IDA owns the lines.

(5) FY20, general government expenses increased due to professional services for various studies and COVID related expenses, including contributions to Towns.

COUNTY OF BRUNSWICK, VIRGINIA

Table 4

General Governmental Revenues by Source (1)

Last Ten Fiscal Years

Fiscal Year	General Property Taxes		Other Local Taxes (3)		Permits, Privilege Fees, Regulatory Licenses		Fines and Forfeitures		Revenue from the Use of Money and Property		Charges for Services		Miscellaneous		Recovered Costs		Inter-governmental (2)		Total
2012-13	\$ 9,303,220	\$ 1,619,833	\$ 66,134	\$ 1,110,627	\$ 194,120	\$ 909,191	\$ 548,676	\$ 261,208	\$ 22,765,047	\$ 36,778,056									
2013-14	9,338,344	4,033,028	88,964	908,216	117,282	845,321	649,235	277,405	22,549,870	38,807,665									
2014-15	9,693,867	3,068,643	79,046	888,760	123,582	757,019	449,885	374,381	21,951,844	37,387,027									
2015-16	11,672,323	1,899,602	65,142	889,369	132,902	908,820	827,220	313,360	22,416,798	39,125,536									
2016-17	14,257,624	1,617,595	75,261	1,342,861	138,616	1,091,106	489,443	241,986	23,266,709	42,521,201									
2017-18	15,335,217	1,702,794	69,089	1,349,105	151,035	1,127,486	311,492	327,481	23,165,856	43,539,555									
2018-19	15,910,223	1,231,660	69,283	1,489,472	148,596	1,259,031	441,078	394,064	22,926,851	43,870,258									
2019-20	16,218,105	1,738,812	55,141	1,448,184	173,707	1,148,235	498,560	310,686	22,932,409	44,523,839									
2020-21	16,502,944	1,950,781	60,364	1,645,194	130,152	1,398,736	522,127	406,259	24,827,152	47,443,709									
2021-22	19,603,130	1,952,633	108,108	1,871,592	157,317	1,482,308	1,940,036	368,098	26,300,362	53,783,584									

(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) In FY14, sales tax increased due to construction of a new Dominion Virginia power plant.

COUNTY OF BRUNSWICK, VIRGINIA

Table 5

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1)		Current Tax Collections (1)		Percent of Levy Collected		Delinquent Tax Collections (1)		Total Tax Collections		Percent of Total Tax Collections to Tax Levy		Outstanding Delinquent Taxes (1,2)		Percent of Delinquent Taxes to Tax Levy	
2012-13	\$	10,563,964	\$	10,286,914	97.38%	\$	179,496	\$	10,466,410	99.08%	\$	410,941	3.89%			
2013-14		10,593,557		10,343,239	97.64%		167,216		10,510,455	99.22%		467,661	4.41%			
2014-15		10,913,880		10,630,423	97.40%		240,313		10,870,736	99.60%		473,899	4.34%			
2015-16		12,987,541		12,648,599	97.39%		255,928		12,904,527	99.36%		528,917	4.07%			
2016-17		15,565,394		15,244,901	97.94%		186,480		15,431,381	99.14%		596,737	3.83%			
2017-18		16,555,733		16,230,970	98.04%		240,759		16,471,729	99.49%		632,919	3.82%			
2018-19		17,243,138		16,833,632	97.63%		211,248		17,044,880	98.85%		696,696	4.04%			
2019-20		17,444,564		16,974,029	97.30%		356,935		17,330,964	99.35%		813,650	4.66%			
2020-21		17,588,432		17,256,280	98.11%		339,609		17,595,889	100.04%		687,654	3.91%			
2021-22		20,659,365		20,371,408	98.61%		309,564		20,680,972	100.10%		761,537	3.69%			

(1) Exclusive of penalties and interest.

(2) Includes three most current delinquent tax years.

COUNTY OF BRUNSWICK, VIRGINIA

Table 6

Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property and Mobile Homes (1)	Machinery and Tools	Merchants Capital	Public Utility (2)(3)	Total
2012-13	\$ 1,277,151,565	\$ 107,764,740	\$ 14,557,930	\$ 14,334,730	\$ 60,752,103	\$ 1,474,561,068
2013-14	1,283,649,442	108,030,830	13,688,110	14,602,910	63,772,289	1,483,743,581
2014-15	1,288,728,276	110,786,565	17,273,840	14,210,700	84,983,256	1,515,982,637
2015-16	1,294,538,346	116,860,850	17,351,320	7,543,250	490,330,633	1,926,624,399
2016-17	1,298,006,765	124,144,270	18,163,830	7,802,300	975,481,233	2,423,598,398
2017-18	1,303,563,180	124,218,160	19,288,060	-	940,609,009	2,387,678,409
2018-19	1,299,841,870	125,870,640	19,494,570	-	1,004,963,140	2,450,170,220
2019-20	1,304,304,560	127,960,455	19,495,420	-	1,024,761,593	2,476,522,028
2020-21	1,312,254,960	131,771,760	18,357,400	-	1,025,899,038	2,488,283,158
2021-22	1,314,343,220	146,606,346	8,599,410	-	994,779,297	2,464,328,273

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

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

(3) Increase due to new Dominion power plant.

COUNTY OF BRUNSWICK, VIRGINIA

Table 7

Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Year	Real Estate		Mobile Homes		Personal Property		Fire and Rescue Volunteers		Machinery and Tools		Merchant's Capital	
		\$		\$		\$		\$		\$		\$
2012-13	0.47	\$	0.47	\$	3.60	\$	N/A	\$	3.40	\$	1.20	\$
2013-14	0.47		0.47		3.60		N/A		3.40		1.20	
2014-15	0.47		0.47		3.60		2.40		3.40		1.20	
2015-16	0.47		0.47		3.60		2.15		3.40		1.20	
2016-17	0.47		0.47		3.60		2.64		3.40		1.20	
2017-18	0.52		0.52		3.65		2.71		3.40		N/A	
2018-19	0.53		0.53		3.65		2.81		3.40		N/A	
2019-20	0.53		0.53		3.65		2.59		3.40		N/A	
2020-21	0.53		0.53		3.65		2.64		3.40		N/A	
2021-22	0.65		0.65		3.85		2.85		3.40		N/A	

(1) Per \$100 of assessed value.

COUNTY OF BRUNSWICK, VIRGINIA

Table 8

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita Last Ten Fiscal Years

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross Bonded Debt (3)	Less:		Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
				Service Monies Available	Net Bonded Debt		
2012-13	17,395	\$ 1,474,561	\$ 11,363,146	-	\$ -	0.77%	653
2013-14	17,275	1,483,744	15,579,759	-	15,579,759	1.05%	902
2014-15	17,235	1,515,983	14,579,257	-	14,579,257	0.96%	846
2015-16	16,930	1,926,624	13,476,105	-	13,476,105	0.70%	796
2016-17	16,687	2,423,598	11,947,042	-	11,947,042	0.49%	716
2017-18	16,581	2,387,678	11,155,316	-	11,155,316	0.47%	673
2018-19	16,481	2,450,170	12,488,881	-	12,488,881	0.51%	758
2019-20	16,292	2,476,522	11,543,337	-	11,543,337	0.47%	709
2020-21	16,316	2,488,283	13,105,454	-	13,105,454	0.53%	803
2021-22	15,465	2,464,328	68,306,729	-	68,306,729	2.77%	4,417

(1) Weldon Cooper Center for Public Service at the University of Virginia - July 1 estimate.

(2) Real property assessed at 100% of fair market value.

(3) Includes all long-term general obligation bonded debt, bonded anticipation notes, and literary fund loans.

Excludes landfill closure/postclosure care liability, capital lease, QZABs, compensated absences, and pension and OPEB liabilities.

COMPLIANCE

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

**The Honorable Members of
The Board of Supervisors
County of Brunswick, 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 Brunswick, Virginia as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise County of Brunswick, Virginia's basic financial statements and have issued our report thereon dated August 9, 2023. Our report includes a reference to other auditors who audited the financial statements of the school activity funds, as described in our report on County of Brunswick, Virginia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered County of Brunswick, 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 Brunswick, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Brunswick, Virginia's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

County of Brunswick, Virginia's Response to Findings

County of Brunswick, Virginia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. County of Brunswick, Virginia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

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

Robinson, Fennel, Cox Associates

Richmond, Virginia
August 9, 2023



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

The Honorable Members of
The Board of Supervisors
County of Brunswick, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited County of Brunswick, 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 Brunswick, Virginia's major federal programs for the year ended June 30, 2022. County of Brunswick, 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 Brunswick, Virginia complied, in all material respects, with the types of 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, 2022.

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 Brunswick, 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 Brunswick, 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 Brunswick, 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 Brunswick, 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 Brunswick, 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 Brunswick, 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 Brunswick, 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 Brunswick, 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, Fennell, Cox Associates

Richmond, Virginia
August 9, 2023

COUNTY OF BRUNSWICK, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass Through Payments:			
Virginia Department of Social Services:			
Guardianship Assistance	93.090	1110121/1110122	\$ 223
Title VI-E Prevention Program	93.472	1,140,122	2,819
Promoting Safe and Stable Families	93.556	0950121/22	24,371
Refugee and Entrant Assistance - State Administered Programs	93.566	0500121/22	998
Low-Income Home Energy Assistance	93.568	0600421/22	36,229
Child Care and Development Block Grant (CCDF Cluster)	93.575	077011/0770112	134
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF Cluster)	93.596	0760121/22	45,427
Total Child Care and Development Fund Cluster			\$ 45,561
Community-Based Child Abuse Prevention Grants	93.590	9560121	951
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900121/22	484
Foster Care - Title IV-E	93.658	1100121/22, 1110121/22	117,030
Adoption Assistance	93.659	1120121/22	105,489
Social Services Block Grant	93.667	1000121/22	272,474
John H. Chatee Foster Care Program for Successful Transition to Adulthood	93.674	9150121/22	7,359
COVID-19 - Elder Abuse Prevention Interventions Program	93.747	8000221	6,937
Children's Health Insurance Program (CHIP)	93.767	0540121/22	2,114
Medical Assistance Program (Medicaid Cluster)	93.778	1200121/22	215,953
Temporary Assistance for Needy Families (TANF)	93.558	0400121/22	203,756
Total Department of Health and Human Services-pass through			\$ 1,042,748
Total Department of Health and Human Services			\$ 1,042,748
Department of Agriculture:			
Pass Through Payments:			
Virginia Department of Agriculture and Consumer Services:			
Food Distribution - School Nutrition Program (Child Nutrition Cluster)	10.555	APE40264	\$ 78,563
Virginia Department of Education:			
COVID-19 - National School Lunch Program (NSLP) (Child Nutrition Cluster)	10.555	APE40264	66,251
National School Lunch Program (NSLP) (Child Nutrition Cluster)	10.555	21/22N109941	753,397 \$ 898,211
Virginia Department of Education:			
Summer Food Service Program for Children (Child Nutrition Cluster)	10.559	APE60302/60303	38,449
Virginia Department of Education:			
School Breakfast Program (Child Nutrition Cluster)	10.553	21/22N109941	301,100 \$ 1,237,760
Fresh Fruit and Vegetable Program	10.582	APE40252	\$ 45,992
Virginia Department of Agriculture and Consumer Services:			
Pandemic (P-EBT) Administrative Cost Grants	10.649	17901-86556	\$ 3,063
Virginia Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	0010121/22, 0040121/22	\$ 408,677
Total Department of Agriculture			\$ 1,695,492

COUNTY OF BRUNSWICK, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2022

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Defense: Direct Payments: ROTC	12.U00	N/A	\$ 58,855
Department of Housing and Urban Development: Pass Through Payments: Virginia Department of Housing and Community Development: Community Development Block Grants/State's Program and Non- Entitlement Grants in Hawaii	14.228 14.228 14.228	CAMS 202014 CAMS 202026 UNCOV CAMS 21PG19	\$ 95,551 201,548 50,000 \$ 347,099
Department of Justice: Pass Through Payments: Virginia Department of Criminal Justice Services: COVID-19 - Coronavirus Emergency Supplemental Funding Program Edward Byrne Memorial Justice Assistance Grant Program Crime Victim Assistance	16.034 16.738 16.575	20-A5135CE20 Unavailable 21-Y9272VW19	\$ 18,282 22,973 78,066
Total Department of Justice			\$ 119,321
Department of Homeland Security: Pass Through Payments: Virginia Department of Emergency Management: COVID-19 - Emergency Management Performance Grants Emergency Management Performance Grants	97.042 97.042	EMP-2020-EP-00010 EMP-2021-EP-00004	\$ 24,684 7,353
Total Department of Homeland Security			\$ 32,037
Department of Treasury: Pass Through Payments: Virginia Department of Accounts: COVID-19 - Coronavirus Relief Fund COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.019 21.027	SLT0022 Unavailable	\$ 287,395 87,015
Total Department of Treasury			\$ 374,410
Department of Education: Pass Through Payments: Virginia Department of Education: Title I - Grants to Local Educational Agencies Special Education Cluster: Special Education - Grants to States (IDEA, Part B) Special Education - Preschool Grants (IDEA Preschool) Career and Technical Education - Basic Grants to States Rural Education Supporting Effective Instruction State Grants School Improvement Grants COVID-19 - Education Stabilization Fund (ESF) - Governor's Emergency Education Relief Fund COVID-19 - Education Stabilization Fund (ESF) - Elementary and Emergency Education Relief Fund COVID-19 - CARES Act - Elementary and Secondary School Emergency Relief Virginia Polytechnic Institute: English Language Acquisition State Grants	84.010 84.027 84.173 84.048 84.358 84.367 84.377 84.425C 84.425D 84.425U 84.365	APE42901 APE43071/60033 APE62521 APE60031 APE43481 APE61480 APE43040 Unavailable Unavailable Unavailable Unknown	\$ 936,786 403,393 12,428 415,821 49,772 35,803 92,561 87,959 7,748 1,299,747 1,006,126 2,313,621 1,514
Total Department of Education			\$ 3,933,837
Total Expenditures of Federal Awards			\$ 7,603,799

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2022

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of County of Brunswick, Virginia under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of County of Brunswick, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of County of Brunswick, 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

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

Note 4 - Subrecipients

No awards were passed through to subrecipients.

Note 5 - Indirect Costs

The County has elected not to use the 10% de minimis indirect cost rate.

Note 6 - Loan balances

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

Note 7 - 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	\$ 727,316
Special Revenue Funds:	
Virginia Public Assistance Fund	1,358,113
CSA Fund	93,178
Debt Service Funds:	
Debt Service Fund	61,319
Capital Projects Funds:	
County Capital Improvements Fund	145,551
Total primary government	<u>\$ 2,385,477</u>

Component Unit School Board:

School Operating Fund	\$ 3,992,826
School Cafeteria Fund	1,286,815
Total component unit School Board	<u>\$ 5,279,641</u>

Total federal expenditures per basic financial statements	<u>\$ 7,665,118</u>
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Reconciling Items:

Federal interest subsidy	<u>\$ (61,319)</u>
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Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u><u>\$ 7,603,799</u></u>
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COUNTY OF BRUNSWICK, VIRGINIA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting: Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

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

Identification of major programs:

<u>Assistance Listing #</u>	<u>Name of Federal Program or Cluster</u>
10.561	Supplemental Nutrition Assistance Program
84.010	Title I Grants to Local Education Agencies
84.425	COVID-19 - Education Stabilization Fund

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

SECTION II - FINANCIAL STATEMENT FINDINGS

2022-001

Criteria:	Identification of a material adjustment to the financial statements that was not detected by the entity's internal controls indicates that a material weakness may exist.
Condition:	The financial statements required material adjustments by the Auditor to ensure such statements complied with Generally Accepted Accounting Principles (GAAP).
Context:	Significant audit adjustments were proposed in relation to recording GASB 87 entries, unearned revenue adjustments for ARPA funds, and various other accruals or classifications in the general ledger.

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

- Effect: There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected by the entity's internal controls over financial reporting.
- Cause: Management failed to identify all year end accounting adjustments necessary for the financial statements to be prepared in accordance with current reporting standards. Management does not have proper controls in place to detect and correct adjustments in closing their year end financial statements and to reconcile financial activity in accordance with generally accepted accounting principles.
- Recommendation: Individual departments should work with the Treasurer's office or County Finance Director to obtain the necessary financial data to maintain the records in accordance with GAAP. In addition, a formal schedule should be prepared to assist with closing the books at year-end. The Treasurer should communicate with individual departments to ensure revenues are properly classified to assist with year-end audit preparation.
- Management's Response: Individual departments will work with the Treasurer's office or County Finance Director to obtain the necessary financial data to maintain the records in accordance with GAAP.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no federal award findings and questioned costs to report.

2021-001

Criteria: Identification of a material adjustment to the financial statements that was not detected by the entity's internal controls indicates that a material weakness may exist.

Condition: The financial statements required material adjustments by the Auditor to ensure such statements complied with Generally Accepted Accounting Principles (GAAP).

Context: Significant audit adjustments were proposed in relation to recording the debt refunded during the year, unearned revenue adjustments for CRF funds, and various other accruals or classifications in the general ledger.

Effect: There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected by the entity's internal controls over financial reporting.

Cause: Management failed to identify all year end accounting adjustments necessary for the financial statements to be prepared in accordance with current reporting standards. Management does not have proper controls in place to detect and correct adjustments in closing their year end financial statements and to reconcile financial activity in accordance with generally accepted accounting principles.

Recommendation: Individual departments should work with the Treasurer's office or County Finance Director to obtain the necessary financial data to maintain the records in accordance with GAAP. In addition, a formal schedule should be prepared to assist with closing the books at year-end. The Treasurer should communicate with individual departments to ensure revenues are properly classified to assist with year-end audit preparation.

Management's Response: Individual departments will work with the Treasurer's office or County Finance Director to obtain the necessary financial data to maintain the records in accordance with GAAP.

Status: Corrective action was taken, but material adjustments were still required for FY22 financial statements.

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