

COUNTY OF
BRUNSWICK, VIRGINIA



FINANCIAL REPORT
YEAR ENDED JUNE 30, 2010

County of Brunswick, Virginia

Financial Report

Year Ended June 30, 2010

COUNTY OF BRUNSWICK, VIRGINIA

Financial Report
Year Ended June 30, 2010

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BOARD OF SUPERVISORS

Robert H. Conner	Marc L. Finney, Chairman	Bernard L. Jones, Sr.
Barbara J. Drummond		Welton Tyler

COUNTY SOCIAL SERVICES BOARD

Dolores S. Webster	Tracie Seward, Chairman	Ruby K. Baird
Michelle Talbert		Marc L. Finney
Vacant		

COUNTY SCHOOL BOARD

Roy F. Warwick	Louise Mont-Tucker, Chairman	Fred M. Reekes
Floyd A. Moore, Jr.		Ellen Faye Perkins

OTHER OFFICIALS

Judge of the Circuit Court	Sam Campbell
Chief Judge for 6 th Judicial Circuit Court	W. Allen Sharrett
Clerk of the Circuit Court	V. Earl Stanley, Jr.
Commonwealth's Attorney	Lezlie S. Green
Commissioner of the Revenue	Wanda J. Beville
Treasurer	Alice C. Maitland
Sheriff	Brian K. Roberts
Superintendent of Schools	Dr. Oliver W. Spencer, Jr.
Director of Social Services	Beverly Brewer
County Administrator	Charlette T. Woolridge
Chief Judge of the General District Court	J. Larry Palmer
Judge of the Juvenile and Domestic Relations Court	Carson E. Saunders, Jr.
Clerk of the School Board	Betty Macklin

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Independent Auditors' Report

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

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, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Brunswick, Virginia's management. Our responsibility is to express opinions on these financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective 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 June 30, 2010, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 17, the County implemented GASB Statement No. 45, Accounting and Financial Reporting for Employers for Post-Employment Benefits other than Pensions, effective July 1, 2009.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2011, on our consideration of the 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, budgetary comparison information, and Schedule of Pension and OPEB Funding Progress as listed in the table of contents as required supplementary information, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Management's Discussion and Analysis and Schedule of Pension and OPEB Funding Progress. However, we did not audit the information and express no opinion on it. 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Brunswick, Virginia's basic financial statements. The combining and individual fund statements, supporting schedules, and other statistical information as listed in the table of contents as other supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the County of Brunswick, Virginia. The combining and individual fund statements and supporting schedules as listed in the table of contents as other supplementary information, and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The other statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Robinson, Turner, Co. Associates

Charlottesville, Virginia
January 13, 2011

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

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

As management of the 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, 2010.

Financial Highlights

Government-wide Financial Statements

- On a government-wide basis for governmental activities, the assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$19,553,648 (net assets), an increase of \$1,148,478 from the prior year.

Fund Financial Statements

In the Governmental Funds, on a current financial resource basis, revenues and other financing sources were exceeded by expenditures and other financing uses by \$665,082 (Exhibit 5) after making contributions totaling \$4,275,954 to the School Board.

- As of the close of the current fiscal year, the County's governmental funds reported ending fund balances of \$16,972,727, an increase of \$665,082 in comparison with the prior year. In next fiscal year's expenditures, \$475,000 of this increase will be returned to the schools as a re-appropriation of funds.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$10,364,125 or 75% of total general fund expenditures.
- Combined long-term obligations for the governmental funds decreased \$737,509 during the current fiscal year. No additional debt was issued in fiscal year 2010.

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 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.

Overview of the Financial Statements: (Continued)

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 the County of Brunswick, Virginia itself (known as the primary government), but also a legally separate school district for which the 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. The 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 County Capital Improvements Fund, and the Debt Service 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 agency 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 assets. The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations. Agency funds are County custodial funds used to provide accountability of client monies for which the County is custodian.

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 and the schedule of pension funding progress for the Virginia Retirement System and other post employment 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. The School Board does not issue separate financial statements.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a County's financial position. In the case of the County's governmental activities, assets exceeded liabilities by \$19,553,648 at the close of the most recent fiscal year.

Summary Statement of Net Assets

	Governmental Activities	
	2010	2009
Current and other assets	\$ 18,266,707	\$ 17,473,520
Capital assets	<u>15,183,082</u>	<u>15,426,362</u>
Total assets	<u>\$ 33,449,789</u>	<u>\$ 32,899,882</u>
Long-term liabilities	\$ 12,778,316	\$ 13,515,825
Current liabilities	<u>1,117,825</u>	<u>978,887</u>
Total liabilities	<u>\$ 13,896,141</u>	<u>\$ 14,494,712</u>
Net assets:		
Invested in capital assets, net of related debt	\$ 4,763,891	\$ 4,052,393
Restricted	725,791	316,986
Unrestricted	<u>14,063,966</u>	<u>14,035,791</u>
Total net assets	<u>\$ 19,553,648</u>	<u>\$ 18,405,170</u>

At the end of the current fiscal year, the County's investment in capital assets net of related debt used to acquire those assets was \$4,763,891. 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.

Government-wide Financial Analysis: (Continued)

Governmental Activities - Governmental activities increased the County's net assets by \$1,148,478.

	Governmental Activities	
	2010	2009
Revenues:		
Program revenues:		
Charges for services	\$ 1,981,025	\$ 2,379,898
Operating grants and contributions	5,287,025	5,526,714
Capital grants and contributions	504,478	133,650
General revenues:		
General property taxes	8,072,614	8,463,615
Other local taxes	1,379,830	1,871,159
Grants and other contributions not restricted	1,788,640	1,348,089
Use of money and property	348,240	448,917
Miscellaneous	782,103	92,902
Total revenues	\$ 20,143,955	\$ 20,264,944
Expenses:		
General government administration	\$ 1,429,532	\$ 1,370,787
Judicial administration	894,337	927,890
Public safety	5,412,405	5,322,982
Public works	1,382,358	1,566,564
Health and welfare	3,076,860	3,254,460
Education	4,891,976	5,831,744
Parks, recreation, and cultural	265,889	330,017
Community development	1,025,792	800,234
Interest on long-term debt	616,328	588,556
Total expenses	\$ 18,995,477	\$ 19,993,234
Increase (Decrease) in net assets	\$ 1,148,478	\$ 271,710
Net assets, July 1	18,405,170	18,133,460
Net assets, June 30	\$ 19,553,648	\$ 18,405,170

Government-wide Financial Analysis: (Continued)

Key elements of this increase are as follows:

The increase in the governmental activities net assets had several components.

Total revenues decreased by \$120,989 from the prior year. Several factors contributed to this decrease. The decrease in overall tonnage and loss of hauling contracts at the private landfill, which generate host fees for the County, resulted in lower charges for services in the amount of \$398,873. Operating grants and contributions decreased by \$239,689. However, capital grants and contributions increased by \$370,828 due to the award of a regional Homeland Security LINX Grant and a CDBG Urgent Needs Project to aid in the rehabilitation and reconstruction of homes damaged by a tornado that hit the County. The decrease in local taxes (\$391,001) is primarily offset by the increase in grants and other contributions not restricted (\$440,551) due to the re-classification of communication taxes in accordance with APA guidelines. The use of money and property decreased \$100,677 due to lower earnings as a result of declining investment interest rates. The County also elected to reimburse the State \$101,677 to offset budget reductions in State aid and this is reflected in grants and other contributions not restricted to specific programs. On the other hand, miscellaneous revenues increased by \$689,201 due to a private donation received for the Silver Trails project.

Total expenses decreased by \$997,757 from the prior year. The function with the most significant decrease (\$939,768) was education. This reduction can be attributed to the state-implemented premium holiday for VRS contributions, a decline in available state and federal funding, and an adjustment in the current year's local contribution due to prior year overspending.

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, unreserved 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 \$16,972,727, an increase of \$665,082 in comparison with the prior year. Approximately 78% of this total amount constitutes unreserved fund balance, which is available for spending at the County's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget of the general fund was an increase of \$311,126 in expenditures and can be briefly summarized as follows:

- \$326,694 in increases for public safety
- \$218,738 in decreases for education
- \$107,956 in other increases

General Fund Budgetary Highlights: (Continued)

Of this increase, \$101,297 was to be funded from intergovernmental revenues. The remaining \$194,829 was to be budgeted from available fund balance and other revenue increases. During the year, however, expenditures were less than budgetary estimates by \$875,039, thus eliminating the need to draw upon existing fund balance.

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental operations as of June 30, 2010 amounted to \$15,183,082 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, and machinery and equipment. The County's capital assets increased by \$36,002 during the current fiscal year, while accumulated depreciation increased by \$279,282, resulting in a net decrease of \$243,280. Projects in progress at year end include the LINX regional project. The Red Oak and Triplet Fort Convenience Centers were completed during fiscal year 10.

Additional information on the County's capital assets can be found in note 8 of this report.

Long-term debt - At the end of the current fiscal year, the County had total long-term debt outstanding of \$12,778,316 for its governmental operations. Of this amount \$10,309,716 comprises debt backed by the full faith and credit of the County. The remainder of the County's debt for governmental operations (\$2,468,600) represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

The County's total debt outstanding decreased by \$737,509 during the current fiscal year. The decrease relates to required payments made on outstanding principal balances.

Additional information on the County of Brunswick, Virginia's long-term debt can be found in Note 10 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the County is currently 11.2 percent, which is a slight decrease from a rate of 11.7 percent a year ago. This is one of the higher unemployment rates in the state, for which the average unemployment rate is at 6.5 percent and it is slightly higher than the national average rate of 9.2 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 2011 fiscal year.

The County's fiscal year 2011 budget amounted to \$15,912,895 (net of interfund transfers and transfers to the Component Unit School Board and does not include expenditures of the Component Unit School Board). The County budget shows a decrease due to a continuation of departmental operating reductions.

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, 102 Tobacco 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 Assets
June 30, 2010

	Primary Government		
	Governmental Activities	School Board	Component Units IDA
ASSETS			
Cash and cash equivalents	\$ 15,052,052	\$ 1,224,079	\$ 2,434,616
Investments	-	-	362,216
Receivables (net of allowance for uncollectibles):			
Taxes receivable	339,283	-	-
Accounts receivable	521,024	13,092	45,670
Due from component units	500,000	-	-
Due from other governmental units	1,015,203	1,200,216	-
Prepaid expenses	-	-	8,804
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	787,877	-	225,178
Other assets:			
Unamortized bond issue costs	51,268	-	-
Investment in industrial assets	-	-	5,217,567
Leases receivable	-	-	883,795
Notes receivable	-	-	7,694
Capital assets (net of accumulated depreciation):			
Land	702,501	25,822	92,242
Buildings and improvements	13,215,882	5,263,543	713,325
Machinery, equipment, and vehicles	905,969	1,316,365	17,008
Construction in progress	358,730	-	-
Total assets	<u>\$ 33,449,789</u>	<u>\$ 9,043,117</u>	<u>\$ 10,008,115</u>
LIABILITIES			
Accounts payable	\$ 663,633	\$ 353,561	\$ -
Accrued liabilities	-	1,915,455	245
Accrued interest payable	454,192	-	-
Due to primary government	-	-	500,000
Deposits held in escrow	-	-	16,369
Unearned revenue	-	-	72,005
Long-term liabilities:			
Due within one year	906,348	56,113	203,203
Due in more than one year	11,871,968	568,517	1,710,427
Total liabilities	<u>\$ 13,896,141</u>	<u>\$ 2,893,646</u>	<u>\$ 2,502,249</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ 4,763,891	\$ 6,605,730	\$ 4,126,512
Restricted for:			
Anti-litter	230	-	-
Law library	19,577	-	-
Drug enforcement	213,303	-	-
Courthouse maintenance	177,251	-	-
Law enforcement	99,642	-	-
Silver Trails project	215,788	-	-
Unrestricted (deficit)	14,063,966	(456,259)	3,379,354
Total net assets	<u>\$ 19,553,648</u>	<u>\$ 6,149,471</u>	<u>\$ 7,505,866</u>

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, 2010

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 1,429,532	\$ 59,000	\$ 247,305	\$ -
Judicial administration	894,337	548,119	482,735	-
Public safety	5,412,405	62,903	2,176,691	311,643
Public works	1,382,358	1,280,246	14,558	-
Health and welfare	3,076,860	-	2,360,736	-
Education	4,891,976	-	-	-
Parks, recreation, and cultural	265,889	29,185	5,000	-
Community development	1,025,792	1,572	-	192,835
Interest on long-term debt	616,328	-	-	-
Total governmental activities	<u>\$ 18,995,477</u>	<u>\$ 1,981,025</u>	<u>\$ 5,287,025</u>	<u>\$ 504,478</u>
COMPONENT UNITS:				
School Board	\$ 23,854,547	\$ 228,342	\$ 18,634,163	\$ -
Industrial Development Authority	519,311	383,609	210,252	-
Total component units	<u>\$ 24,373,858</u>	<u>\$ 611,951</u>	<u>\$ 18,844,415</u>	<u>\$ -</u>

General revenues:
 General property taxes
 Local sales and use taxes
 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 assets
 Net assets - beginning, as restated
 Net assets - ending

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Assets			
Primary	Component Units		
Government			
Governmental	School		
Activities	Board	IDA	
\$ (1,123,227)			
136,517			
(2,861,168)			
(87,554)			
(716,124)			
(4,891,976)			
(231,704)			
(831,385)			
(616,328)			
<u>\$ (11,222,949)</u>			
	\$ (4,992,042)	\$ -	
	-	74,550	
	<u>\$ (4,992,042)</u>	<u>\$ 74,550</u>	
\$ 8,072,614	\$ -	\$ -	
630,997	-	-	
256,602	-	-	
342,398	-	-	
149,833	-	-	
-	4,842,986	287,080	
348,240	8,402	82,788	
782,103	440,374	-	
1,788,640	-	-	
<u>\$ 12,371,427</u>	<u>\$ 5,291,762</u>	<u>\$ 369,868</u>	
1,148,478	299,720	444,418	
18,405,170	5,849,751	7,061,448	
<u>\$ 19,553,648</u>	<u>\$ 6,149,471</u>	<u>\$ 7,505,866</u>	

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Fund Financial Statements

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Balance Sheet
 Governmental Funds
 June 30, 2010

	<u>General</u>	<u>Virginia Public Assistance</u>	<u>Debt Service</u>	<u>County Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents	\$ 9,953,324	\$ -	\$ 1,743,506	\$ 3,355,222	\$ -	\$ 15,052,052
Receivables (net of allowance for uncollectibles):						
Taxes receivable	339,283	-	-	-	-	339,283
Accounts receivable	500,760	1,073	-	-	19,191	521,024
Due from other funds	164,748	-	-	-	-	164,748
Due from component unit	500,000	-	-	-	-	500,000
Due from other governmental units	426,133	145,625	-	346,770	96,675	1,015,203
Restricted assets:						
Temporarily restricted:						
Cash and cash equivalents	-	-	787,877	-	-	787,877
Total assets	<u>\$ 11,884,248</u>	<u>\$ 146,698</u>	<u>\$ 2,531,383</u>	<u>\$ 3,701,992</u>	<u>\$ 115,866</u>	<u>\$ 18,380,187</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 205,426	\$ 27,902	\$ -	\$ 377,205	\$ 53,100	\$ 663,633
Accrued interest payable	-	-	284,176	-	-	284,176
Due to other funds	-	118,796	-	-	45,952	164,748
Deferred revenue	294,903	-	-	-	-	294,903
Total liabilities	<u>\$ 500,329</u>	<u>\$ 146,698</u>	<u>\$ 284,176</u>	<u>\$ 377,205</u>	<u>\$ 99,052</u>	<u>\$ 1,407,460</u>
Fund balances:						
Reserved for:						
Anti-litter	\$ 230	\$ -	\$ -	\$ -	\$ -	\$ 230
DMV Select	9,791	-	-	-	-	9,791
Law library	19,577	-	-	-	-	19,577
Drug enforcement	213,303	-	-	-	-	213,303
Courthouse maintenance	177,251	-	-	-	-	177,251
Courthouse security	85,168	-	-	-	-	85,168
Home incarceration program	14,474	-	-	-	-	14,474
Long-term loans and advances	500,000	-	-	-	-	500,000
Silver Trails project	-	-	-	480,394	-	480,394
Debt service funds	-	-	2,247,207	-	-	2,247,207
Unreserved, reported in:						
General fund	10,364,125	-	-	-	-	10,364,125
Special revenue funds	-	-	-	-	16,814	16,814
Capital projects funds	-	-	-	2,844,393	-	2,844,393
Total fund balances	<u>\$ 11,383,919</u>	<u>\$ -</u>	<u>\$ 2,247,207</u>	<u>\$ 3,324,787</u>	<u>\$ 16,814</u>	<u>\$ 16,972,727</u>
Total liabilities and fund balances	<u>\$ 11,884,248</u>	<u>\$ 146,698</u>	<u>\$ 2,531,383</u>	<u>\$ 3,701,992</u>	<u>\$ 115,866</u>	<u>\$ 18,380,187</u>

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 Assets
 June 30, 2010

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	16,972,727
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Land	\$	702,501	
Buildings and improvements		13,215,882	
Machinery and equipment		905,969	
Construction in progress		<u>358,730</u>	15,183,082

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	294,903
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Issuance costs are recorded as other assets and amortized over the life of the debt, and, therefore, are not reported in the funds.	51,268
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Revenue bonds	\$	(2,468,600)	
Less: Deferred charge on refunding (to be amortized as interest expense)		144,041	
General obligation bonds		(6,884,224)	
Plus: Issuance premium (to be amortized against interest expense)		(162,972)	
Qualified zone academy bonds		(1,813,229)	
Capital lease		(22,084)	
Landfill closure/postclosure liability		(561,408)	
Early retirement incentive		(418,500)	
Compensated absences		(555,940)	
Other post employment benefits		(35,400)	
Accrued interest payable		<u>(170,016)</u>	<u>(12,948,332)</u>

Net assets of governmental activities	\$	<u><u>19,553,648</u></u>
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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, 2010

REVENUES	General	Virginia Public Assistance	Debt Service	County Capital Improvements	Other Govern- mental Funds	Total
General property taxes	\$ 8,088,105	\$ -	\$ -	\$ -	\$ -	\$ 8,088,105
Other local taxes	1,379,830	-	-	-	-	1,379,830
Permits, privilege fees, and regulatory licenses	76,739	-	-	-	-	76,739
Fines and forfeitures	380,180	-	-	-	-	380,180
Revenue from the use of money and property	227,457	-	52,193	67,000	1,590	348,240
Charges for services	1,506,495	-	-	-	17,611	1,524,106
Miscellaneous	45,436	4,926	-	696,182	35,559	782,103
Recovered costs	388,423	-	-	-	16,111	404,534
Intergovernmental revenues:						
Commonwealth	4,414,710	701,628	-	146,374	582,104	5,844,816
Federal	177,456	1,039,030	-	504,478	14,363	1,735,327
Total revenues	<u>\$ 16,684,831</u>	<u>\$ 1,745,584</u>	<u>\$ 52,193</u>	<u>\$ 1,414,034</u>	<u>\$ 667,338</u>	<u>\$ 20,563,980</u>
EXPENDITURES						
Current:						
General government administration	\$ 1,255,432	\$ -	\$ -	\$ -	\$ -	\$ 1,255,432
Judicial administration	894,764	-	-	-	-	894,764
Public safety	5,101,718	-	-	-	-	5,101,718
Public works	1,363,464	-	-	-	68,117	1,431,581
Health and welfare	159,820	2,048,143	-	-	845,726	3,053,689
Education	3,967,612	-	-	357,332	-	4,324,944
Parks, recreation, and cultural	238,501	-	-	-	-	238,501
Community development	427,517	-	-	-	-	427,517
Capital projects	10,000	-	-	1,716,017	-	1,726,017
Debt service:						
Principal retirement	275,385	-	559,675	-	-	835,060
Interest and other fiscal charges	181,716	-	427,959	-	-	609,675
Total expenditures	<u>\$ 13,875,929</u>	<u>\$ 2,048,143</u>	<u>\$ 987,634</u>	<u>\$ 2,073,349</u>	<u>\$ 913,843</u>	<u>\$ 19,898,898</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,808,902</u>	<u>\$ (302,559)</u>	<u>\$ (935,441)</u>	<u>\$ (659,315)</u>	<u>\$ (246,505)</u>	<u>\$ 665,082</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ 44,500	\$ 302,559	\$ 831,230	\$ 548,565	\$ 248,453	\$ 1,975,307
Transfers out	<u>(1,930,807)</u>	<u>-</u>	<u>-</u>	<u>(44,500)</u>	<u>-</u>	<u>(1,975,307)</u>
Total other financing sources (uses)	<u>\$ (1,886,307)</u>	<u>\$ 302,559</u>	<u>\$ 831,230</u>	<u>\$ 504,065</u>	<u>\$ 248,453</u>	<u>\$ -</u>
Net change in fund balances	\$ 922,595	\$ -	\$ (104,211)	\$ (155,250)	\$ 1,948	\$ 665,082
Fund balances - beginning - as restated	10,461,324	-	2,351,418	3,480,037	14,866	16,307,645
Fund balances - ending	<u>\$ 11,383,919</u>	<u>\$ -</u>	<u>\$ 2,247,207</u>	<u>\$ 3,324,787</u>	<u>\$ 16,814</u>	<u>\$ 16,972,727</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, 2010

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

Net change in fund balances - total governmental funds	\$	665,082
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period.

Capital asset additions	\$	859,826	
Capital asset disposals		(411,549)	
Depreciation		(536,074)	
Depreciation adjustment for disposals		411,549	
Adjustment for jointly owned assets		(412,275)	
Depreciation adjustment for jointly owned assets		<u>(154,757)</u>	(243,280)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The change in deferred property taxes is reported as revenues in the governmental funds.	(15,491)
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Amortization of loss on refunding	\$	(31,311)	
Amortization of premium on issuance		20,000	
Amortization of issuance costs		(8,346)	
Payment of principal		835,060	
Increase in landfill closure/postclosure care liability		<u>(3,902)</u>	811,501

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.

Compensated absences	\$	(46,938)	
Other post employment benefits		(35,400)	
Accrued interest on debt		<u>13,004</u>	(69,334)

Change in net assets of governmental activities	\$	<u>1,148,478</u>
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The notes to the financial statements are an integral part of this statement.

Statement of Fiduciary Net Assets
 Fiduciary Funds
 June 30, 2010

	<u>Agency Funds</u>
ASSETS	
<hr/>	
Cash and cash equivalents	\$ 98,306
Total assets	\$ <u>98,306</u>
LIABILITIES	
<hr/>	
Amounts held for social services clients	\$ 70,116
Amounts held for others	5,435
Escrow deposits payable	<u>22,755</u>
Total liabilities	\$ <u>98,306</u>

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

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COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2010

Note 1—Summary of Significant Accounting Policies:

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

Financial Statement Presentation

Management's Discussion and Analysis - GASB Statement No. 34 requires the financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD&A).

Government-wide and Fund Financial Statements

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

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

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

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

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

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

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

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

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. Under the GASB 34 reporting model, governments will continue to provide budgetary comparison information in their annual reports, including the requirement to report the government's original budget in addition to the comparison of final budget and actual results.

A. Financial Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for 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 the 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 combined financial statements to emphasize it is legally separate from the government.

B. Individual Component Unit Disclosures

Blended Component Unit. The County has no blended component units to be included for the fiscal year ended June 30, 2010.

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, 2010.

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.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

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

C. 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, Greensville 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 \$200,658 in operating funds to the Library in 2010.

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 \$48,320 as operating grants to the Southside Community Services Board for the fiscal year ended June 30, 2010.

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, 102 Tobacco 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.

The County applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989 unless these pronouncements conflict with or contradict GASB pronouncements.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of 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 provided have been met.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized as soon as 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. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. The 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 all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income. A significant part of the General Fund's revenues are used principally to finance the operations of the Component Unit School Board. The General Fund is considered a major fund for government-wide reporting purposes.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

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

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

1. Governmental Funds: (Continued)

b. Special Revenue Funds

The Special Revenue Funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The special revenue funds consist of the Virginia Public Assistance Fund, the Airport Commission Fund, and the Comprehensive Services Act Fund. Only the Virginia Public Assistance Fund is considered a major fund at June 30, 2010.

c. Capital Projects Fund

The General Capital Projects Fund accounts for all financial resources used for the acquisition or construction of major capital facilities. The capital projects fund is considered a major fund for government-wide reporting purposes.

d. Debt Service Fund

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds. The school debt service fund is a major fund at June 30, 2010.

2. Fiduciary Funds (Trust and Agency Funds)

Fiduciary Funds (Trust and Agency Funds) account for assets held by the County unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Agency Funds. These funds utilize the modified accrual basis of accounting described in the Governmental Fund Presentation. Fiduciary funds are not included in the government-wide financial statements.

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 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:

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.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

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

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

3. Component Unit: (Continued)

Capital Projects Fund:

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.

E. 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 Debt Service Fund of the primary government and the School 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.
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 various budget amendments during the year that exceeded the 1% limitation. 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, 2010 (Continued)

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

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

Restricted cash and cash equivalents include amounts set aside in a sinking fund to repay qualified zone academy bonds.

G. Investments

Investments are stated at fair value.

H. 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 \$130,700 at June 30, 2010 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.

I. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the County and School Board as land, buildings, road registered vehicles, and equipment with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

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

I. Capital Assets: (Continued)

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	20-40
Vehicles	5
Office and computer equipment	5
Buses	8
Police vehicles	3

J. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Assets. In accordance with the provisions of Governmental Accounting Standards No. 16, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement.

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

K. Long-term Obligations

In the government-wide financial statements, long-term debt and other 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 debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

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

M. Prepaid Expenses

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

N. 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.

O. Net Assets

Net assets are the difference between assets and liabilities. Net assets invested in capital assets represent capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction, or improvement of those assets.

Note 2—Cash and Cash Equivalents:

Deposits

All cash of the primary government and its discretely presented component units is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et. seq. of the Code of Virginia or covered by federal depository insurance.

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 and certain corporate notes, banker’s acceptances, repurchase agreements and the State Treasurer’s Local Government Investment Pool (LGIP).

Custodial Credit Risk (Investments)

The County’s investments at June 30, 2010 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, 2010 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.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 2—Cash and Cash Equivalents: (Continued)

Credit Risk of Debt Securities: (Continued)

<u>Locality's Rated Debt Investments' Values</u>	
<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>
	<u>AAA</u>
Governmental Activities:	
Local government investment pool	\$ <u>3,536</u>
Total	\$ <u><u>3,536</u></u>
Component Unit Industrial Development Authority:	
Local government investment pool	\$ <u><u>362,216</u></u>

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. There were no investments with interest rate risk at year-end.

External Investment Pool

The fair value of the positions in the external investment pool (Local Government Investment Pool) is the same as the value of the pool shares. As this pool is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP maintains a policy to operate in a manner consistent with SEC Rule 2a-7.

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 2009 were levied by the County Board of Supervisors on June 17, 2009, on the assessed value listed as of January 1, 2009.

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 revenues.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 4—Receivables:

Receivables at June 30, 2010 consist of the following:

	<u>Primary Government</u>			<u>Component Units</u>	
	<u>Governmental Activities</u>			<u>School Board</u>	<u>IDA</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>		
Property taxes	\$ 469,983	\$ -	\$ 469,983	\$ -	\$ -
Allowance for uncollectibles	(130,700)	-	(130,700)	-	-
Net taxes receivable	<u>\$ 339,283</u>	<u>\$ -</u>	<u>\$ 339,283</u>	<u>\$ -</u>	<u>\$ -</u>
Accounts receivable:					
Landfill host fees	\$ 309,769	\$ -	\$ 309,769	\$ -	\$ -
Landfill inspection costs	41,202	-	41,202	-	-
Utility and consumption taxes	24,948	-	24,948	-	-
Court fines	79,688	-	79,688	-	-
Courthouse security fees	19,628	-	19,628	-	-
Airport recovery	-	16,111	16,111	-	-
Tobacco Commission	-	-	-	-	-
Other	25,525	4,153	29,678	13,092	45,670
Total accounts receivable	<u>\$ 500,760</u>	<u>\$ 20,264</u>	<u>\$ 521,024</u>	<u>\$ 13,092</u>	<u>\$ 45,670</u>
Leases receivable:					
Social Services	\$ -	\$ -	\$ -	\$ -	\$ 395,964
Ackerman	-	-	-	-	487,831
Total leases receivable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 883,795</u>

As of June 30, 2010, the Ackerman lease has a past due balance of \$85,396.

Note 5—Due To/From Component Units:

<u>Payable Entity</u>	<u>Amount</u>
Component-Unit Industrial Development Authority	\$ <u>500,000</u>

See Note 21 for further details.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 6—Due From Other Governmental Units:

At June 30, 2010, the County has receivables from other governments as follows:

	Governmental Activities			Total	Component Unit
	General	Special Revenue	Capital Projects		School Board
Commonwealth of Virginia:					
Local sales taxes	\$ 115,084	\$ -	\$ -	\$ 115,084	\$ -
State sales taxes	-	-	-	-	347,611
Communication sales taxes	73,993	-	-	73,993	-
Public assistance	-	57,194	-	57,194	-
Comprehensive services	-	96,675	-	96,675	-
Shared expenses and grants	183,362	-	-	183,362	-
Mobile home titling	11,628	-	-	11,628	-
Wireless E-911 revenues	14,636	-	-	14,636	-
Victim witness	15,266	-	-	-	-
Other	9,764	-	-	9,764	-
Federal government:					
Selective enforcement grant	2,400	-	-	2,400	-
Public assistance	-	88,431	-	88,431	-
LINX grant funds	-	-	311,643	311,643	-
CDBG funds	-	-	35,127	35,127	-
Title I, including ARRA	-	-	-	-	225,953
Title VI-B, including ARRA	-	-	-	-	173,345
State fiscal stabilization funds	-	-	-	-	183,859
Headstart	-	-	-	-	85,642
Nutrition	-	-	-	-	60,858
Other	-	-	-	-	122,948
Total	\$ 426,133	\$ 242,300	\$ 346,770	\$ 1,015,203	\$ 1,200,216

Note 7—Other Assets:

Financing Costs

Costs for issuance of the 2003 refunding bonds amounted to \$58,784. Costs for issuance of the 2004 QZAB bonds amounted to \$43,891. The balance of issuance costs is as follows:

	Balance July 1, 2009	Increases	Amortization	Balance June 30, 2010
2003 Refunding	\$ 30,353	\$ -	\$ 5,420	\$ 24,933
2005 qualified zone academy bonds	29,261	-	2,926	26,335
Total issuance costs	\$ 59,614	\$ -	\$ 8,346	\$ 51,268

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 8—Capital Assets:

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

Primary Government:

	<u>Balance July 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2010</u>
Capital assets not being depreciated:				
Land	\$ 700,255	\$ 2,246	\$ -	\$ 702,501
Construction in Progress	<u>100,628</u>	<u>434,640</u>	<u>176,538</u>	<u>358,730</u>
Total capital assets not being depreciated	<u>\$ 800,883</u>	<u>\$ 436,886</u>	<u>\$ 176,538</u>	<u>\$ 1,061,231</u>
Other capital assets:				
Buildings and improvements	\$ 8,909,769	\$ 256,464	\$ -	\$ 9,166,233
Machinery, equipment and vehicles	2,895,802	343,014	411,549	2,827,267
Jointly owned assets	<u>9,109,728</u>	<u>-</u>	<u>412,275</u>	<u>8,697,453</u>
Total other capital assets	<u>\$ 20,915,299</u>	<u>\$ 599,478</u>	<u>\$ 823,824</u>	<u>\$ 20,690,953</u>
Accumulated depreciation:				
Buildings and improvements	\$ 3,210,821	\$ 227,421	\$ -	\$ 3,438,242
Machinery, equipment and vehicles	2,024,194	308,653	411,549	1,921,298
Jointly owned assets	<u>1,054,805</u>	<u>217,436</u>	<u>62,679</u>	<u>1,209,562</u>
Total accumulated depreciation	<u>\$ 6,289,820</u>	<u>\$ 753,510</u>	<u>\$ 474,228</u>	<u>\$ 6,569,102</u>
Other capital assets, net	<u>\$ 14,625,479</u>	<u>\$ (154,032)</u>	<u>\$ 349,596</u>	<u>\$ 14,121,851</u>
Net capital assets	<u><u>\$ 15,426,362</u></u>	<u><u>\$ 282,854</u></u>	<u><u>\$ 526,134</u></u>	<u><u>\$ 15,183,082</u></u>
Depreciation is allocated to:				
General government administration		\$ 121,591		
Judicial administration		1,069		
Public safety		279,589		
Public works		87,587		
Health and welfare		19,780		
Education		217,436		
Parks and recreation		<u>26,458</u>		
Total		<u><u>\$ 753,510</u></u>		

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 8—Capital Assets: (Continued)

Component Unit-School Board:

	Balance July 1, 2009	Increases	Decreases	Balance June 30, 2010
Capital assets not being depreciated:				
Land	\$ 25,822	\$ -	\$ -	\$ 25,822
Other capital assets:				
Buildings and improvements	\$ 8,947,121	\$ 104,071	\$ -	\$ 9,051,192
Machinery, equipment and vehicles	3,930,661	331,234	5,065	4,256,830
Jointly owned assets	1,856,744	412,275	-	2,269,019
Total other capital assets	\$ 14,734,526	\$ 847,580	\$ 5,065	\$ 15,577,041
Accumulated depreciation:				
Buildings and improvements	\$ 5,355,140	\$ 120,314	\$ -	\$ 5,475,454
Machinery, equipment and vehicles	2,666,840	278,690	5,065	2,940,465
Jointly owned assets	461,810	119,404	-	581,214
Total accumulated depreciation	\$ 8,483,790	\$ 518,408	\$ 5,065	\$ 8,997,133
Other capital assets, net	\$ 6,250,736	\$ 329,172	\$ -	\$ 6,579,908
Net capital assets	\$ 6,276,558	\$ 329,172	\$ -	\$ 6,605,730
Depreciation is allocated to education		\$ 518,408		

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, 2009, is that school financed assets in the amount of \$8,054,923 net are reported in the Primary Government for financial reporting purposes.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 8—Capital Assets: (Continued)

Component Unit-Industrial Development Authority:

	<u>Balance July 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2010</u>
Capital assets not being depreciated:				
Land	\$ 92,242	\$ -	\$ -	\$ 92,242
Other capital assets:				
Buildings	\$ 883,476	\$ -	\$ -	\$ 883,476
Improvements	26,022	-	-	26,022
Machinery, equipment and vehicles	48,362	-	17,422	30,940
Total other capital assets	\$ 957,860	\$ -	\$ 17,422	\$ 940,438
Accumulated depreciation:				
Buildings	\$ 144,669	\$ 25,482	\$ -	\$ 170,151
Improvements	26,022	-	-	26,022
Machinery, equipment and vehicles	25,165	6,189	17,422	13,932
Total accumulated depreciation	\$ 195,856	\$ 31,671	\$ 17,422	\$ 210,105
Other capital assets, net	\$ 762,004	\$ (31,671)	\$ -	\$ 730,333
Net capital assets	\$ 854,246	\$ (31,671)	\$ -	\$ 822,575
Depreciation is allocated to the Industrial Development Authority			\$ 31,671	

Note 9—Compensated Absences:

In accordance with GASB Statement 16 "Accounting for 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 10 for details of changes in compensated absences balances.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 10—Long-Term Obligations:

The following is a summary of long-term debt transactions for the County for the year ended June 30, 2010.

	<u>Balance</u> <u>July 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2010</u>
Primary Government:				
Bonds payable:				
Revenue Bonds	\$ 2,864,200	\$ -	\$ 395,600	\$ 2,468,600
General obligation bonds:				
School	7,296,499	-	412,275	6,884,224
Premium on issuance	182,972	-	20,000	162,972
Qualified Zone Academy Bonds	1,813,229	-	-	1,813,229
Less deferred amounts:				
On refunding	(175,352)	-	(31,311)	(144,041)
Total bonds payable	\$ 11,981,548	\$ -	\$ 796,564	\$ 11,184,984
Capital lease	26,869	-	4,785	22,084
Retirement incentive obligation	440,900	-	22,400	418,500
Landfill closure/postclosure liability	557,506	3,902	-	561,408
Compensated absences	509,002	46,938	-	555,940
Other post employment benefits	-	53,900	18,500	35,400
Total payable from governmental activities	\$ 13,515,825	\$ 104,740	\$ 842,249	\$ 12,778,316
Component Unit Activities:				
School Board				
Compensated absences	\$ 555,121	\$ 6,009	\$ -	\$ 561,130
Other post employment benefits	-	118,600	55,100	63,500
Total payable from School Board	\$ 555,121	\$ 124,609	\$ 55,100	\$ 624,630
Industrial Development Authority				
Water and Sewer Bonds	\$ 843,498	\$ -	\$ 77,978	\$ 765,520
Rural Development Loan	773,111	-	103,906	669,205
Other Loans	492,438	-	13,533	478,905
Total payable from IDA	\$ 2,109,047	\$ -	\$ 195,417	\$ 1,913,630
Total payable from component unit activities	\$ 2,664,168	\$ 124,609	\$ 250,517	\$ 2,538,260
Total long-term debt	\$ 16,179,993	\$ 229,349	\$ 1,092,766	\$ 15,316,576

Reconciliation to Exhibit 1:

	<u>Component Units</u>			<u>Total</u>
	<u>Primary Government</u>	<u>School Board</u>	<u>Industrial Development Authority</u>	
Long-term liabilities:				
Due within one year	\$ 906,348	\$ 56,113	\$ 203,203	\$ 1,165,664
Due in more than one year	11,871,968	568,517	1,710,427	14,150,912
Total long-term debt	\$ 12,778,316	\$ 624,630	\$ 1,913,630	\$ 15,316,576

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
 As of June 30, 2010 (Continued)

Note 10—Long-Term Obligations: (Continued)**Primary Government:**

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 845,712	\$ 479,402
2012	873,607	441,558
2013	766,093	402,454
2014	792,761	366,537
2015	825,896	329,349
2016-2020	4,577,342	1,159,941
2021-2025	2,189,070	405,919
2026-2027	733,003	33,847
Total	\$ <u>11,603,484</u>	\$ <u>3,619,007</u>

Note: The above includes long-term debt, deferred charges, premiums, and early retirement incentive obligation. Compensated absences and landfill closure/postclosure liability are not included.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2010, were as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 203,203	\$ 72,502
2012	211,315	64,391
2013	219,762	55,943
2014	228,560	47,145
2015	237,724	37,981
2016-2019	813,066	39,252
Total	\$ <u>1,913,630</u>	\$ <u>317,214</u>

Industrial Development Authority:

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

<u>Year Ending June 30,</u>	<u>Minimum Lease Payments</u>
2011	\$ 9,864
2012	9,864
2013	9,864
2014	6,576
Total minimum lease payments	\$ 36,168
Less: amount representing interest and fees	(14,084)
Present value of minimum lease payments	\$ <u>22,084</u>

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 10—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.

Details of Long-Term Obligations:

	<u>Amount Outstanding</u>	<u>Due within One year</u>
<u>Governmental Activities:</u>		
<u>Lease Revenue Bonds:</u>		
\$3,233,900 Lease revenue bonds, payable in various annual installments ranging from \$243,300 to \$352,800, due on November 15 through 2016, interest payable semi-annually at a rate of 3.76%	\$ 2,206,600	\$ 280,500
Less: Deferred charge on refunding	<u>(144,041)</u>	<u>(29,190)</u>
Net lease revenue bond	\$ 2,062,559	\$ 251,310
\$850,000 2004B Lease revenue bonds, payable in various annual installments ranging from \$110,000 to \$133,000, due on March 1 through 2012, interest payable semi-annually at a rate of 3.22%	<u>262,000</u>	<u>129,000</u>
Total lease revenue bonds	\$ <u>2,324,559</u>	\$ <u>380,310</u>
<u>General Obligation School Bonds:</u>		
\$1,754,598 School Bonds, 1994, issued November 12, 1994, maturing in various annual installments of \$63,947 to \$116,828 through July 15, 2015, interest payable semi-annually at 6.10%-6.60%	\$ 560,748	\$ 102,805
\$1,388,892 School Bonds, 2003, issued November 6, 2003, maturing in various annual installments of \$52,738 to \$88,640 through July 15, 2023, interest payable semi-annually at 3.10%-5.35%	1,042,172	62,612
Plus: Premium on issuance	43,996	5,769
\$6,009,753 School Bonds, 2006, issued November 9, 2006, maturing in various annual installments of \$229,192 to \$370,235 through July 15, 2026, interest payable semi-annually at 4.225%-5.100%	5,281,304	257,748
Plus: Premium on issuance	<u>118,976</u>	<u>13,168</u>
Total general obligation bonds	\$ <u>7,047,196</u>	\$ <u>442,102</u>

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 10—Long-Term Obligations: (Continued)

Details of Long-Term Obligations: (Continued)

	<u>Amount Outstanding</u>	<u>Due within One year</u>
<u>Governmental Activities: (Continued)</u>		
<u>Qualified Zone Academy Bonds:</u>		
 \$671,460 Qualified Zone Academy Bond, issued December 29, 2003, maturing on December 29, 2018 with an imputed interest rate of 3.2%. Annual payments of \$56,896 are required to be placed in a sinking fund that will be used to pay the debt in 2018	\$ 671,460	\$ -
 \$1,141,769 Qualified Zone Academy Bond, issued December 31, 2004, maturing on December 30, 2020 with an imputed interest rate of 2%. Annual payments of \$78,338 are required to be placed in a sinking fund that will be used to pay the debt in 2020	<u>1,141,769</u>	<u>-</u>
 Total Qualified Zone Academy Bonds	<u>\$ 1,813,229</u>	<u>\$ -</u>
 <u>Capital Leases:</u>		
The County has entered into a lease agreement for the purchase of dictaphone equipment. This lease agreement qualifies as a capital lease for accounting purposes and; therefore, has been recorded at the present value of the future minimum lease payments as of the inception date. The cost of the equipment being leased is \$28,179 and accumulated depreciation amounted to \$5,636 at June 30, 2009	<u>\$ 22,084</u>	<u>\$ 5,042</u>
<u>Landfill closure and postclosure care monitoring liability:</u>	<u>\$ 561,408</u>	<u>\$ -</u>
<u>Compensated absences payable from general fund:</u>	<u>\$ 555,940</u>	<u>\$ 55,594</u>
<u>Other post employment benefits</u>	<u>\$ 35,400</u>	<u>\$ -</u>
 <u>Early Retirement Incentive Costs:</u>		
The Brunswick County School Board adopted the early retirement incentive program. \$541,300, early retirement incentive obligation bond payable in annual installments of \$18,600 to \$37,600 due on November 15 through 2023, interest at 3.76%. This was refinanced in fiscal year 2004 in conjunction with the Courthouse revenue bonds	<u>\$ 418,500</u>	<u>\$ 23,300</u>
 Total long-term obligations from governmental activities	<u>\$ 12,778,316</u>	<u>\$ 906,348</u>

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 10—Long-Term Obligations: (Continued)

Details of Long-Term Obligations: (Continued)

	<u>Amount Outstanding</u>	<u>Due within One year</u>
<u>Component Unit Activities:</u>		
<u>School Board:</u>		
<u>Compensated absences</u>	\$ 561,130	\$ 56,113
<u>Other post employment benefits</u>	\$ 63,500	\$ -
Total long-term obligations from School Board	\$ 624,630	\$ 56,113
<u>Industrial Development Authority:</u>		
\$576,730 Business Mortgage, Bank of America dated April 27, 2002 in combined monthly installments of \$3,036 through April 27, 2016, principal balance due at maturity, interest rate at 4.76%	\$ 478,904	\$ 14,191
\$1,542,040 Lawrenceville's Rural Development loan agreement dated October 1, 1997 (and amendments) due in monthly installment payments of \$11,381 through February 19, 2016, interest at 4.5%	669,205	108,678
\$1,450,000 Town of Lawrenceville - County Water and Sewer Bond agreement dated October 1, 1997 (and amendments) due in semiannual payments of \$51,350 through December 1, 2018, interest at 3%	<u>765,521</u>	<u>80,334</u>
Total long-term obligations from Industrial Development Authority	\$ 1,913,630	\$ 203,203
Total long-term obligations	<u>\$ 15,316,576</u>	<u>\$ 1,165,664</u>

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 U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements.

While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance 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.

At June 30, 2010, the County had one project underway, which is presented in the financial statements as construction in progress. The County is the grant administrator for a regional LINX grant with 21 participating jurisdictions. Equipment is being purchased for each participant on an as needed basis. There were no significant contracts outstanding at June 30, 2010.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

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, 2010, 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 \$31,000 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 2010. The County has the responsibility of a prudent investor in regards 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.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 15—Defined Benefit Pension Plan:

A. Plan Description

Name of Plan: Virginia Retirement System (VRS)
Identification of Plan: Agent and Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
Administering Entity: Virginia Retirement System (System)

All full-time, salaried permanent employees of participating employers must participate in the VRS. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service (age 60 for participating local law enforcement officers, firefighters, and sheriffs) or at age 50 with at least 30 years of service if elected by the employer (age 50 with at least 25 years of service for participating local law enforcement officers, firefighters, and sheriffs) payable monthly for life in an amount equal to 1.70% of their average final compensation (AFC) for each year of credited service (1.85% for sheriffs and if the employer elects, for other employees in hazardous duty positions receiving enhanced benefits). Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for annual cost-of-living adjustment (COLA) beginning in their second year of retirement. The COLA is limited to 5.00% per year. AFC is defined as the highest consecutive 36 months of reported compensation. Participating local law enforcement officers, firefighters, and sheriffs may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be downloaded from their website at <http://www.varetire.org/Pdf/publications/2009-Annual-Report.pdf> or obtained by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their annual salary to the VRS. This 5.00% member contribution has been assumed by the employer. In addition, the County and its component units are required to contribute the remaining amounts necessary to fund their participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County's contribution rate for the fiscal year ended 2010 was 10.35%. The School non-professional and Industrial Development Authority contribution rates for the fiscal year ended 2010 were 7.54% and 5.99% of annual covered payroll, respectively.

The School Board's contribution rate for the VRS statewide sharing pool for its employees was 8.81% of covered payroll for July 2009 through March 2010 and zero for April through June 2010.

C. Annual Pension Cost

For fiscal year 2010, the County's annual pension cost of \$441,850 (does not include the portion of the employee share assumed by County which was \$213,454) was equal to the County's required and actuarial contributions.

For fiscal year 2010, the County School Board's annual pension cost for the Board's non-professional employees was \$93,974 (does not include the employee share assumed by the Board which was \$62,317) and was equal to the Board's required and actual contributions.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 15–Defined Benefit Pension Plan: (Continued)

C. Annual Pension Cost: (Continued)

For fiscal year 2010, the County Industrial Development Authority’s annual pension cost of \$6,355 (does not include the employee share assumed by the Authority which was \$5,305) was equal to the Authority’s required and actual contributions.

Three-Year Trend Information for County, School Board, and IDA			
Fiscal Year Ending	Annual Pension Cost (APC) (1)	Percentage of APC Contributed	Net Pension Obligation
County:			
June 30, 2010	\$ 441,850	100%	-
June 30, 2009	450,222	100%	-
June 30, 2008	326,852	100%	-
School Board Non-Professional:			
June 30, 2010	\$ 93,974	100%	-
June 30, 2009	96,274	100%	-
June 30, 2008	110,209	100%	-
Industrial Development Authority:			
June 30, 2010	\$ 6,355	100%	-
June 30, 2009	6,355	100%	-
June 30, 2008	-	100%	-

(1) Employer portion only

The required contribution was determined as part of the June 30, 2007 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2007 included (a) an investment rate of return (net of administrative expenses) of 7.50%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the County’s, School Board’s, and Industrial Development Authority’s assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The County’s and School Board’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2007 was 20 years.

D. Funded Status and Funding Progress

As of June 30, 2009, the most recent actuarial valuation date, the County’s plan was 75.86% funded. The actuarial accrued liability for benefits was \$15,278,254, and the actuarial value of assets was \$11,589,733, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,688,521. The covered payroll (annual payroll of active employees covered by the plan) was \$4,380,065, and ratio of the UAAL to the covered payroll was 84.21%.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 15—Defined Benefit Pension Plan: (Continued)

D. Funded Status and Funding Progress: (Continued)

As of June 30, 2009, the most recent actuarial valuation date, the School Board's plan was 92.95% funded. The actuarial accrued liability for benefits was \$4,454,068, and the actuarial value of assets was \$4,140,199, resulting in an unfunded actuarial accrued liability (UAAL) of \$313,870. The covered payroll (annual payroll of active employees covered by the plan) was \$1,265,702, and ratio of the UAAL to the covered payroll was 24.80%.

As of June 30, 2009, the most recent actuarial valuation date, the Industrial Development Authority's plan was 129.71% funded. The actuarial accrued liability for benefits was \$139,058, and the actuarial value of assets was \$180,379, resulting in an unfunded actuarial accrued liability (UAAL) of (\$41,321). The covered payroll (annual payroll of active employees covered by the plan) was \$106,096, and ratio of the UAAL to the covered payroll was (38.95%).

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability (AAL) for benefits.

E. Discretely Presented Component Unit School Board

PROFESSIONAL EMPLOYEES:

Plan Description

The Brunswick County School Board contributes to the Virginia Retirement System (VRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Virginia Retirement System. VRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the State legislature. The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be downloaded from their website at <http://www.varetire.org/Pdf/publications/2009-Annual-Report.pdf> or obtained by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Funding Policy

Plan members are required to contribute 5.0% of their annual covered salary and Brunswick County School Board is required to contribute at an actuarial determined rate. The rate from July 2009 through March 2010 was 8.81% of annual covered payroll, but was reduced to zero for the period April through June 2010. The contribution requirements of plan members and Brunswick County School Board are established and may be amended by the VRS Board of Trustees. The School Board's contributions to VRS for the years ended June 30, 2010, 2009, and 2008 were \$701,747, \$976,571, and \$1,094,927, respectively, which equaled the required contributions for each year.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

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 general creditors.

Note 17–VRS Health Insurance Credit - Other Post-Employment Benefits:

A. Plan Description

The School Board participates in the Health Insurance Credit Program, a plan designed to assist retirees with the cost of health insurance coverage. This program is an agent and cost sharing, multiple-employer defined benefit plan administered by the Virginia Retirement System (VRS). The Virginia General Assembly establishes the dollar amount of the health insurance credit for each year of creditable service. The credit amount and eligibility differs for state, school division, political subdivision, local officer, local social services department and general registrar retirees.

An employee of the School Board, who retires under VRS with at least 15 years of total creditable service under the System and is enrolled in a health insurance plan, is eligible to receive a monthly health insurance credit of \$1.50 per year of creditable service up to a maximum monthly credit of \$45. However, such credit shall not exceed the health insurance premium for the retiree. Disabled retirees automatically receive the maximum monthly health insurance credit of \$45.

Benefit provisions and eligibility requirements are established by Title 51.1, Chapter 14 of the Code of Virginia. The VRS actuarially determines the amount necessary to fund all credits provided, reflects the cost of such credits in the applicable employer contribution rate pursuant to §51.1-145, and prescribes such terms and conditions as are necessary to carry out the provisions of the health insurance credit program. VRS issues separate financial statements as previously discussed in Note 15.

B. Funding Policy

As a participating local political subdivision, the School Board is required to contribute the entire amount necessary to fund participation in the program using the actuarial basis specified by the Code of Virginia and the VRS Board of Trustees. The School Board's contribution rate for the fiscal year ended 2010 was 1.04% of annual covered payroll.

C. OPEB Cost and Net OPEB Obligation:

The annual cost of OPEB under Governmental Accounting Standards Board (GASB) 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions, is based on the annual required contribution (ARC). The School Board is required to contribute the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 17–VRS Health Insurance Credit - Other Post-Employment Benefits: (Continued)

C. OPEB Cost and Net OPEB Obligation: (Continued)

For 2010, the School Board’s contribution of \$12,962 was equal to the ARC and OPEB cost. The School Board’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and the preceding year are as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost (ARC)</u>	<u>Percentage of ARC Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2010	\$ 12,962	100%	-
June 30, 2009	13,279	100%	-

D. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2009, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$	99,443
Actuarial value of plan assets	\$	15,137
Unfunded actuarial accrued liability (UAAL)	\$	84,306
Funded ratio (actuarial value of plan assets/AAL)		15.22%
Covered payroll (active plan members)	\$	1,265,702
UAAL as a percentage of covered payroll		6.66%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future and reflect a long-term perspective. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used included techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 17–VRS Health Insurance Credit - Other Post-Employment Benefits: (Continued)

E. Actuarial Methods and Assumptions: (Continued)

The entry age normal cost method was used to determine the plan's funding liabilities and costs. The actuarial assumptions included a 7.5% investment rate of return, compounded annually, including an inflation component of 2.5%, and a payroll growth rate of 3%. The UAAL is being amortized as a level percentage of payroll on an open basis. The remaining open amortization period at June 30, 2009 was 27 years.

F. Professional Employees – Discretely Presented Component Unit School Board

The School Board participates in the Health Insurance Credit Program, a plan designed to assist retirees with the cost of health insurance coverage. This program is a cost sharing, multiple-employer defined benefit plan administered by the Virginia Retirement System (VRS). The Virginia General Assembly establishes the dollar amount of the health insurance credit for each year of creditable service.

A teacher, who retires under VRS with at least 15 years of total creditable service under the System and is enrolled in a health insurance plan, is eligible to receive a monthly health insurance credit of \$4 per year of creditable service. However, such credit shall not exceed the health insurance premium for the retiree. Disabled retirees automatically receive a monthly health insurance credit of \$4 multiplied by the smaller of (i) twice the amount of their creditable service or (ii) the amount of creditable service they would have completed at age 60 if they had remained in service to that age.

The School Board is required to contribute, at an actuarially determined rate, the entire amount necessary to fund participation in the program. The current rate is 1.04% of annual covered payroll. The School Board's contributions to VRS for the years ended June 30, 2010 and 2009 were \$82,901 and \$119,716, respectively and equaled the required contributions for each year.

Note 18–Other Post-Employment Benefits:

A. Plan Description:

In addition to the pension benefits described in Note 15, the County and School Board provide post-retirement health care insurance benefits for employees who are eligible for retirement benefits. Individuals who have attained the age of 50 with at least 10 years of service earned with the County or School Board and prior service earned through other Virginia agencies. 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.

Health benefits include medical, dental, and vision coverage for retirees and eligible spouses. County retirees under the age of 65 may elect BlueCross (PPO) medical option, whereas School Board retirees under the age of 65 may elect Local Choice KA+ (PPO) or Local Choice KA500 (PPO) 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.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 18—Other Post-Employment Benefits: (Continued)

B. 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 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.

C. Annual OPEB Cost and Net OPEB Obligation:

The County's and School Board's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's and School Board's annual OPEB cost for the year, the estimated amount contributed to the plans, and changes in the County's and School Board's net OPEB obligation.

	<u>County</u>	<u>School Board</u>
Annual required contribution	\$ 53,900	\$ 118,600
Interest on net OPEB obligation	-	-
Adjustment to annual required contribution	-	-
Annual OPEB cost (expense)	\$ 53,900	\$ 118,600
Estimated contributions made	(18,500)	(55,100)
Increase in net OPEB obligation	\$ 35,400	\$ 63,500
Net OPEB obligation-beginning of year	-	-
Net OPEB obligation-end of year	<u>\$ 35,400</u>	<u>\$ 63,500</u>

The County's and School Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plans and the net OPEB obligation for 2010 are as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost (ARC)</u>	<u>Percentage of ARC Contributed</u>	<u>Net OPEB Obligation</u>
County:			
June 30, 2010	\$ 53,900	34.32%	35,400
School Board:			
June 30, 2010	\$ 118,600	46.46%	63,500

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 18—Other Post-Employment Benefits: (Continued)

D. Funded Status and Funding Progress:

The funded status of the plans as of January 1, 2009 is as follows:

	<u>County</u>	<u>School Board</u>
Actuarial accrued liability (AAL)	\$ 444,800	\$ 1,001,200
Actuarial value of plan assets	\$ -	\$ -
Unfunded actuarial accrued liability (UAAL)	\$ 444,800	\$ 1,001,200
Funded ratio (actuarial value of plan assets/AAL)	0.00%	0.00%
Covered payroll (active plan members)	\$ 4,955,700	\$ 13,381,700
UAAL as a percentage of covered payroll	8.98%	7.48%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Cost Method

The projected unit credit (PUC) cost method was used for this valuation. The objective of this method is to fund each participant's benefits under the plan as they would accrue. Under this method the total value of the benefit to which each participant is expected to become entitled is broken down into units, each associated with a year of past or future credited service.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 18—Other Post-Employment Benefits: (Continued)

E. Actuarial Methods and Assumptions: (Continued)

Interest Assumptions

In the actuarial valuation, the Projected Unit Cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), which is a blended rate based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 8.10 percent initially, reduced by decrements to an ultimate rate of 4.50 percent after eighty years. Both rates included a 3.75 percent inflation assumptions. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at January 1, 2009, was thirty years.

Note 19—Surety Bond Information:

	<u>Amount</u>
Commonwealth of Virginia, Department of General Services, Division of Risk Management-Faithful Performance of Duty Bond	
V. Earl Stanley, Jr. Clerk of the Circuit Court	\$ 300,000
Alice C. Maitland, Treasurer	400,000
Wanda Beville, Commissioner of the Revenue	3,000
Brian K. Roberts, Sheriff	30,000
Western Company - Surety:	
Faithful Performance of Duty Bond	
Welton Tyler, Chairman, Board of Supervisors	2,000
Robert H. Conner, Supervisor	2,000
Marc L. Finney, Supervisor	2,000
Bernard Jones, Supervisor	2,000
Barbara J. Drummond, Supervisor	2,000
Brian K. Roberts, Sheriff	250,000
Position Bonds:	
County Administrator	100,000
Administrative Assistant	1,000
Finance Director	100,000
Administrative Assistant	1,000
Various other County employees (1,000 each)	10,000
All School Board employees, Blanket Bond	250,000
Travelers Casualty & Surety Company of America:	
Director, Office Manager & Eligibility Supervisor	100,000
All Social Service Employees - Blanket Bond	100,000

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 20—Interfund Transfers:

Interfund transfers for the year ended June 30, 2010, consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net</u>
Primary Government:			
General Fund	\$ 44,500	\$ 1,930,807	\$ (1,886,307)
VPA Fund	302,559	-	302,559
Capital Projects Fund	548,565	44,500	504,065
Airport Fund	29,005	-	29,005
CSA Fund	219,448	-	219,448
Debt Service Fund	831,230	-	831,230
	<u>1,975,307</u>	<u>1,975,307</u>	<u>-</u>
Total Transfers	\$ <u>1,975,307</u>	\$ <u>1,975,307</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 21—Deferred Revenue:

The County's deferred revenue consists of the following at June 30, 2010:

	<u>Government-wide Statements</u>		
	<u>Governmental Activities</u>	<u>Component Unit Industrial Development Authority</u>	<u>Balance Sheet Governmental Funds</u>
Primary Government:			
Deferred property tax revenue:			
Deferred 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.	\$ -	\$ -	\$ 294,903
	<u>-</u>	<u>-</u>	<u>294,903</u>
Component Unit Industrial Development Authority:			
Deferred gain:			
Long-term profit on sale of building amortized annually through 2022	\$ -	\$ 72,005	\$ -
	<u>-</u>	<u>72,005</u>	<u>-</u>

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 22—Intergovernmental and Industrial Agreements—Industrial Development Authority:

County of Brunswick, Virginia

Under arrangements similar to that between the authority and the Virginia Department of Corrections, the Authority issued bonds for the construction of a new Courthouse facility for Brunswick County. The payments from the County to the Authority equal the Authority's obligation to the bond holders.

Brunswick County and the Authority joined together in the development of the Roanoke River Regional Business Park, which is located in Mecklenburg County. To enable the Authority to participate in this project, the County loaned the Authority \$500,000 to be used for the purchase of land. No repayments are due from the Authority to the County until closing occurs on a sale of property within the RRRBP, at which time there is a proportional repayment (the amount of which is determined under the terms of a negotiated agreement between the Authority and the County).

Note 23—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 \$561,408 reported as landfill postclosure care liability at June 30, 2010 represents the estimated remaining amount of postclosure monitoring costs required, including corrective action costs of \$315,546 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.

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.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 24—Restatement of Fund Balance/Net Assets

The Home Incarceration Program (HIP) was reclassified from an agency fund to a governmental fund as of July 1, 2007. To reflect this change, beginning fund balance and net assets were restated as follows:

	<u>General Fund</u>		<u>Governmental Activities</u>		<u>Sheriff (Agency) Funds</u>
Beginning balance, as originally reported	\$ 10,454,676	\$	18,398,522	\$	11,283
Reclassification of HIP Fund	<u>6,648</u>		<u>6,648</u>		<u>(6,648)</u>
Beginning balance, as restated	<u>\$ 10,461,324</u>	\$	<u>18,405,170</u>	\$	<u>4,635</u>

Note 25—Subsequent Events:

On November 17, 2010, the County accepted a \$458,375 grant for Brunswick Byways Visitor Center. There is no local match required for this grant.

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REQUIRED SUPPLEMENTARY INFORMATION

Note to Required Supplementary Information:

Presented budgets were prepared in accordance with accounting principles generally accepted in the United States of America.

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General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 7,879,000	\$ 7,879,000	\$ 8,088,105	\$ 209,105
Other local taxes	1,410,000	1,410,000	1,379,830	(30,170)
Permits, privilege fees, and regulatory licenses	86,800	86,800	76,739	(10,061)
Fines and forfeitures	400,000	400,000	380,180	(19,820)
Revenue from the use of money and property	222,600	222,600	227,457	4,857
Charges for services	1,771,000	1,786,000	1,506,495	(279,505)
Miscellaneous	5,000	5,000	45,436	40,436
Recovered costs	261,989	261,989	388,423	126,434
Intergovernmental revenues:				
Commonwealth	4,416,136	4,460,015	4,414,710	(45,305)
Federal	25,000	82,418	177,456	95,038
Total revenues	<u>\$ 16,477,525</u>	<u>\$ 16,593,822</u>	<u>\$ 16,684,831</u>	<u>\$ 91,009</u>
EXPENDITURES				
Current:				
General government administration	\$ 1,406,785	\$ 1,430,867	\$ 1,255,432	\$ 175,435
Judicial administration	892,305	923,426	894,764	28,662
Public safety	4,831,358	5,158,052	5,101,718	56,334
Public works	1,431,239	1,488,789	1,363,464	125,325
Health and welfare	164,334	164,334	159,820	4,514
Education	4,639,506	4,442,931	3,967,612	475,319
Parks, recreation, and cultural	237,513	238,913	238,501	412
Community development	377,907	444,761	427,517	17,244
Capital projects	10,000	10,000	10,000	-
Debt service:				
Principal retirement	270,600	270,600	275,385	(4,785)
Interest and other fiscal charges	178,295	178,295	181,716	(3,421)
Total expenditures	<u>\$ 14,439,842</u>	<u>\$ 14,750,968</u>	<u>\$ 13,875,929</u>	<u>\$ 875,039</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,037,683</u>	<u>\$ 1,842,854</u>	<u>\$ 2,808,902</u>	<u>\$ 966,048</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 25,000	\$ 44,500	\$ 44,500	\$ -
Transfers out	(2,277,154)	(2,277,154)	(1,930,807)	346,347
Total other financing sources and uses	<u>\$ (2,252,154)</u>	<u>\$ (2,232,654)</u>	<u>\$ (1,886,307)</u>	<u>\$ 346,347</u>
Net change in fund balances	\$ (214,471)	\$ (389,800)	\$ 922,595	\$ 1,312,395
Fund balances - beginning - as restated	-	374,060	10,461,324	10,087,264
Fund balances - ending	<u>\$ (214,471)</u>	<u>\$ (15,740)</u>	<u>\$ 11,383,919</u>	<u>\$ 11,399,659</u>

Virginia Public Assistance Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 4,926	\$ 4,926
Intergovernmental revenues:				
Commonwealth	757,700	757,700	701,628	(56,072)
Federal	1,130,536	1,130,536	1,039,030	(91,506)
Total revenues	\$ 1,888,236	\$ 1,888,236	\$ 1,745,584	\$ (142,652)
EXPENDITURES				
Current:				
Health and welfare	\$ 2,233,378	\$ 2,233,378	\$ 2,048,143	\$ 185,235
Total expenditures	\$ 2,233,378	\$ 2,233,378	\$ 2,048,143	\$ 185,235
Excess (deficiency) of revenues over (under) expenditures	\$ (345,142)	\$ (345,142)	\$ (302,559)	\$ 42,583
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 345,142	\$ 345,142	\$ 302,559	\$ (42,583)
Total other financing sources and uses	\$ 345,142	\$ 345,142	\$ 302,559	\$ (42,583)
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

Schedule of Pension and OPEB Funding Progress
For the Year Ended June 30, 2010

Virginia Retirement System - Pension Funding Progress:

County:

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll	UAAL as % of Covered Payroll (c/e)
	(a)	(b)	(c)	(d)	(e)	(f)
June 30, 2007	\$ 10,357,168	\$ 12,263,462	\$ 1,906,294	84.46%	\$ 4,140,697	46.04%
June 30, 2008	11,299,927	14,191,366	2,891,439	79.63%	4,348,501	66.49%
June 30, 2009	11,589,733	15,278,254	3,688,521	75.86%	4,380,065	84.21%

School Board Non-Professional:

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll	UAAL as % of Covered Payroll (c/e)
	(a)	(b)	(c)	(d)	(e)	(f)
June 30, 2007	\$ 3,749,191	\$ 4,145,035	\$ 395,844	90.45%	\$ 1,191,772	33.21%
June 30, 2008	4,096,369	4,202,681	106,312	97.47%	1,270,272	8.37%
June 30, 2009	4,140,199	4,454,068	313,869	92.95%	1,265,702	24.80%

Industrial Development Authority:

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll	UAAL as % of Covered Payroll (c/e)
	(a)	(b)	(c)	(d)	(e)	(f)
June 30, 2007	\$ 138,830	\$ 96,104	\$ (42,726)	144.46%	\$ 77,986	(54.79%)
June 30, 2008	160,301	120,161	(40,140)	133.41%	106,096	(37.83%)
June 30, 2009	180,379	139,058	(41,321)	129.71%	106,096	(38.95%)

Schedule of Pension and OPEB Funding Progress
For the Year Ended June 30, 2010 (Continued)

Virginia Retirement System - Health Insurance Credit: (Only two years of data available)

School Board Non-Professional:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (AVA) (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL) (b-a) (c)</u>	<u>Funded Ratio (a/b) (d)</u>	<u>Annual Covered Payroll (e)</u>	<u>UAAL as % of Covered Payroll (c/e) (f)</u>
June 30, 2008	\$ 9,358	\$ 151,243	\$ 141,885	6.19%	\$ 1,270,272	11.17%
June 30, 2009	15,137	99,443	84,306	15.22%	1,265,702	6.66%

Other Post Employment Benefits: (first year of implementation - only one year of data available)

County:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (AVA) (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL) (b-a) (c)</u>	<u>Funded Ratio (a/b) (d)</u>	<u>Annual Covered Payroll (e)</u>	<u>UAAL as % of Covered Payroll (c/e) (f)</u>
June 30, 2009	\$ -	\$ 444,800	\$ 444,800	0.00%	\$ 4,955,700	8.98%

School Board:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (AVA) (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL) (b-a) (c)</u>	<u>Funded Ratio (a/b) (d)</u>	<u>Annual Covered Payroll (e)</u>	<u>UAAL as % of Covered Payroll (c/e) (f)</u>
June 30, 2009	\$ -	\$ 1,001,200	\$ 1,001,200	0.00%	\$ 13,381,700	7.48%

OTHER SUPPLEMENTARY INFORMATION

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Combining and Individual Fund Statements and Schedules

Debt Service Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 30,000	\$ 30,000	\$ 52,193	\$ 22,193
Total revenues	\$ 30,000	\$ 30,000	\$ 52,193	\$ 22,193
EXPENDITURES				
Debt service:				
Principal retirement	\$ 694,909	\$ 694,909	\$ 559,675	\$ 135,234
Interest and other fiscal charges	377,445	377,445	427,959	(50,514)
Total expenditures	\$ 1,072,354	\$ 1,072,354	\$ 987,634	\$ 84,720
Excess (deficiency) of revenues over (under) expenditures	\$ (1,042,354)	\$ (1,042,354)	\$ (935,441)	\$ 106,913
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 831,230	\$ 831,230	\$ 831,230	\$ -
Total other financing sources and uses	\$ 831,230	\$ 831,230	\$ 831,230	\$ -
Net change in fund balances	\$ (211,124)	\$ (211,124)	\$ (104,211)	\$ 106,913
Fund balances - beginning	-	-	2,351,418	2,351,418
Fund balances - ending	\$ (211,124)	\$ (211,124)	\$ 2,247,207	\$ 2,458,331

Capital Projects Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2010

	County Capital Improvements Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 40,000	\$ 40,000	\$ 67,000	\$ 27,000
Miscellaneous	-	587,438	696,182	108,744
Intergovernmental revenues:				
Commonwealth	117,280	146,400	146,374	(26)
Federal	857,155	2,945,196	504,478	(2,440,718)
Total revenues	\$ 1,014,435	\$ 3,719,034	\$ 1,414,034	\$ (2,305,000)
EXPENDITURES				
Current:				
Education	\$ 357,332	\$ 357,332	\$ 357,332	\$ -
Capital projects	1,885,367	4,543,338	1,716,017	2,827,321
Debt service:				
Principal retirement	-	-	-	-
Total expenditures	\$ 2,242,699	\$ 4,900,670	\$ 2,073,349	\$ 2,827,321
Excess (deficiency) of revenues over (under) expenditures	\$ (1,228,264)	\$ (1,181,636)	\$ (659,315)	\$ 522,321
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 771,564	\$ 771,564	\$ 548,565	\$ (222,999)
Transfers out	(25,000)	(44,500)	(44,500)	-
Total other financing sources and uses	\$ 746,564	\$ 727,064	\$ 504,065	\$ (222,999)
Net change in fund balances	\$ (481,700)	\$ (454,572)	\$ (155,250)	\$ 299,322
Fund balances - beginning	-	1,150	3,480,037	3,478,887
Fund balances - ending	\$ (481,700)	\$ (453,422)	\$ 3,324,787	\$ 3,778,209

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2010

	<u>Airport Fund</u>	<u>CSA Fund</u>	<u>Total</u>
ASSETS			
Receivables (net of allowance for uncollectibles):			
Accounts receivable	\$ 16,111	\$ 3,080	\$ 19,191
Due from other governmental units	-	96,675	96,675
Total assets	<u>\$ 16,111</u>	<u>\$ 99,755</u>	<u>\$ 115,866</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 309	\$ 52,791	\$ 53,100
Due to other funds	15,802	30,150	45,952
Total liabilities	<u>\$ 16,111</u>	<u>\$ 82,941</u>	<u>\$ 99,052</u>
Fund balances:			
Unreserved:			
Undesignated	\$ -	\$ 16,814	\$ 16,814
Total fund balances	<u>\$ -</u>	<u>\$ 16,814</u>	<u>\$ 16,814</u>
Total liabilities and fund balances	<u>\$ 16,111</u>	<u>\$ 99,755</u>	<u>\$ 115,866</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2010

REVENUES	Airport Fund	CSA Fund	Total
Revenue from the use of money and property	\$ 1,590	\$ -	\$ 1,590
Charges for services	17,611	-	17,611
Miscellaneous	-	35,559	35,559
Recovered costs	16,111	-	16,111
Intergovernmental revenues:			
Commonwealth	3,800	578,304	582,104
Federal	-	14,363	14,363
Total revenues	<u>\$ 39,112</u>	<u>\$ 628,226</u>	<u>\$ 667,338</u>
EXPENDITURES			
Current:			
Public works	\$ 68,117	\$ -	\$ 68,117
Health and welfare	-	845,726	845,726
Total expenditures	<u>\$ 68,117</u>	<u>\$ 845,726</u>	<u>\$ 913,843</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (29,005)</u>	<u>\$ (217,500)</u>	<u>\$ (246,505)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 29,005	\$ 219,448	\$ 248,453
Total other financing sources and uses	<u>\$ 29,005</u>	<u>\$ 219,448</u>	<u>\$ 248,453</u>
Net change in fund balances	\$ -	\$ 1,948	\$ 1,948
Fund balances - beginning	-	14,866	14,866
Fund balances - ending	<u>\$ -</u>	<u>\$ 16,814</u>	<u>\$ 16,814</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, 2010

	Airport Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 2,000	\$ 2,000	\$ 1,590	\$ (410)
Charges for services	13,500	13,500	17,611	4,111
Miscellaneous	-	-	-	-
Recovered costs	18,085	18,085	16,111	(1,974)
Intergovernmental revenues:				
Commonwealth	-	3,800	3,800	-
Federal	-	-	-	-
Total revenues	<u>\$ 33,585</u>	<u>\$ 37,385</u>	<u>\$ 39,112</u>	<u>\$ 1,727</u>
EXPENDITURES				
Current:				
Public works	\$ 69,754	\$ 73,554	\$ 68,117	\$ 5,437
Health and welfare	-	-	-	-
Total expenditures	<u>\$ 69,754</u>	<u>\$ 73,554</u>	<u>\$ 68,117</u>	<u>\$ 5,437</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (36,169)</u>	<u>\$ (36,169)</u>	<u>\$ (29,005)</u>	<u>\$ 7,164</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 36,169	\$ 36,169	\$ 29,005	\$ (7,164)
Transfers out	-	-	-	-
Total other financing sources and uses	<u>\$ 36,169</u>	<u>\$ 36,169</u>	<u>\$ 29,005</u>	<u>\$ (7,164)</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Exhibit 15

CSA Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
4,000	4,000	35,559	31,559
-	-	-	-
631,311	631,311	578,304	(53,007)
-	-	14,363	14,363
<u>\$ 635,311</u>	<u>\$ 635,311</u>	<u>\$ 628,226</u>	<u>\$ (7,085)</u>
\$ -	\$ -	\$ -	\$ -
928,360	928,360	845,726	82,634
<u>\$ 928,360</u>	<u>\$ 928,360</u>	<u>\$ 845,726</u>	<u>\$ 82,634</u>
\$ (293,049)	\$ (293,049)	\$ (217,500)	\$ 75,549
\$ 293,049	\$ 293,049	\$ 219,448	\$ (73,601)
-	-	-	-
<u>\$ 293,049</u>	<u>\$ 293,049</u>	<u>\$ 219,448</u>	<u>\$ (73,601)</u>
\$ -	\$ -	\$ 1,948	\$ 1,948
-	-	14,866	14,866
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,814</u>	<u>\$ 16,814</u>

Combining Statement of Fiduciary Net Assets
 Fiduciary Funds
 June 30, 2010

	<u>Agency Funds</u>			
	<u>Special Welfare</u>	<u>Sheriff Funds</u>	<u>Bond Escrow Fund</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 70,116	\$ 5,435	\$ 22,755	\$ 98,306
Total assets	<u>\$ 70,116</u>	<u>\$ 5,435</u>	<u>\$ 22,755</u>	<u>\$ 98,306</u>
LIABILITIES				
Amounts held for social services clients	\$ 70,116	\$ -	\$ -	\$ 70,116
Amounts held for others	-	5,435	-	5,435
Escrow deposits payable	-	-	22,755	22,755
Total liabilities	<u>\$ 70,116</u>	<u>\$ 5,435</u>	<u>\$ 22,755</u>	<u>\$ 98,306</u>

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 For the Year Ended June 30, 2010

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
SPECIAL WELFARE FUND:				
Assets				
Cash and cash equivalents	\$ 14,138	\$ 68,452	\$ 12,474	\$ 70,116
Liabilities				
Amounts held for social services clients	\$ 14,138	\$ 68,452	\$ 12,474	\$ 70,116
SHERIFF FUNDS:				
Assets				
Cash and cash equivalents	\$ 4,635	\$ 162,025	\$ 161,225	\$ 5,435
Total assets	\$ 4,635	\$ 162,025	\$ 161,225	\$ 5,435
Liabilities				
Amounts held for others	\$ 4,635	\$ 162,025	\$ 161,225	\$ 5,435
Total liabilities	\$ 4,635	\$ 162,025	\$ 161,225	\$ 5,435
BOND ESCROW FUND:				
Assets				
Cash and cash equivalents	\$ 22,755	\$ -	\$ -	\$ 22,755
Liabilities				
Escrow deposit payable	\$ 22,755	\$ -	\$ -	\$ 22,755
UNDISTRIBUTED LOCAL SALES TAX FUND:				
Assets				
Due from other governmental units	\$ -	\$ 670,201	\$ 670,201	\$ -
Liabilities				
Due to other funds	\$ -	\$ 670,201	\$ 670,201	\$ -
DRUG FORFEITURE ESCROW FUND:				
Assets				
Cash and cash equivalents	\$ 106,630	\$ 137	\$ 106,767	\$ -
Liabilities				
Escrow deposit payable	\$ 106,630	\$ 137	\$ 106,767	\$ -
TOTALS - ALL AGENCY FUNDS:				
Assets				
Cash and cash equivalents	\$ 148,158	\$ 230,614	\$ 280,466	\$ 98,306
Due from other governmental units	-	670,201	670,201	-
Total assets	\$ 148,158	\$ 900,815	\$ 950,667	\$ 98,306
Liabilities				
Due to other funds	\$ -	\$ 670,201	\$ 670,201	\$ -
Amounts held for social services clients	14,138	68,452	12,474	70,116
Amounts held for others	4,635	162,025	161,225	5,435
Escrow deposits payable	129,385	137	106,767	22,755
Total liabilities	\$ 148,158	\$ 900,815	\$ 950,667	\$ 98,306

Combining Balance Sheet
 Discretely Presented Component Unit - School Board
 June 30, 2010

	<u>School Operating Fund</u>	<u>School Cafeteria Fund</u>	<u>School Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 1,051,518	\$ 172,561	\$ -	\$ 1,224,079
Receivables (net of allowance for uncollectibles):				
Accounts receivable	10,715	2,377	-	13,092
Due from other governmental units	<u>1,139,358</u>	<u>60,858</u>	<u>-</u>	<u>1,200,216</u>
Total assets	<u>\$ 2,201,591</u>	<u>\$ 235,796</u>	<u>\$ -</u>	<u>\$ 2,437,387</u>

LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 353,561	\$ -	\$ -	\$ 353,561
Accrued liabilities	<u>1,847,530</u>	<u>67,925</u>	<u>-</u>	<u>1,915,455</u>
Total liabilities	<u>\$ 2,201,091</u>	<u>\$ 67,925</u>	<u>\$ -</u>	<u>\$ 2,269,016</u>
Fund balances:				
Reserved for:				
Cafeteria operations	\$ -	\$ 167,871	\$ -	\$ 167,871
Unreserved:				
Undesignated	<u>500</u>	<u>-</u>	<u>-</u>	<u>500</u>
Total fund balances	<u>\$ 500</u>	<u>\$ 167,871</u>	<u>\$ -</u>	<u>\$ 168,371</u>
Total liabilities and fund balances	<u>\$ 2,201,591</u>	<u>\$ 235,796</u>	<u>\$ -</u>	<u>\$ 2,437,387</u>

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

Total fund balances per above	\$	168,371
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land	\$	25,822
Buildings and improvements		5,263,543
Machinery and equipment		<u>1,316,365</u>
		6,605,730
Long-term liabilities, including accrued compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated absences	\$	(561,130)
Other post employment benefits		<u>(63,500)</u>
		(624,630)
Net assets of governmental activities	\$	<u>6,149,471</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, 2010

REVENUES	School Operating Fund	School Cafeteria Fund	School Capital Projects Fund	Total Governmental Funds
Revenue from the use of money and property	\$ 8,228	\$ 174	\$ -	\$ 8,402
Charges for services	1,380	226,962	-	228,342
Miscellaneous	440,345	29	-	440,374
Intergovernmental revenues:				
Local government	3,918,622	-	357,332	4,275,954
Commonwealth	13,692,250	12,467	-	13,704,717
Federal	3,999,642	929,804	-	4,929,446
Total revenues	<u>\$ 22,060,467</u>	<u>\$ 1,169,436</u>	<u>\$ 357,332</u>	<u>\$ 23,587,235</u>
EXPENDITURES				
Current:				
Education	\$ 21,020,062	\$ 1,128,499	\$ -	\$ 22,148,561
Capital projects	1,040,405	-	358,212	1,398,617
Total expenditures	<u>\$ 22,060,467</u>	<u>\$ 1,128,499</u>	<u>\$ 358,212</u>	<u>\$ 23,547,178</u>
Net change in fund balances	\$ -	\$ 40,937	\$ (880)	\$ 40,057
Fund balances - beginning	500	126,934	880	128,314
Fund balances - ending	<u>\$ 500</u>	<u>\$ 167,871</u>	<u>\$ -</u>	<u>\$ 168,371</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 \$ 40,057

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	\$ 435,305	
Capital asset disposals	(5,065)	
Depreciation	(399,004)	
Depreciation adjustment for disposals	5,065	
Adjustment for jointly owned assets	412,275	
Adjustment for jointly owned assets	<u>(119,404)</u>	329,172

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.

Compensated absences	\$ (6,009)	
Other post employment benefits	<u>(63,500)</u>	<u>(69,509)</u>
Change in net assets of governmental activities		<u>\$ 299,720</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, 2010

	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	\$ 8,228	\$ 7,228
Charges for services	4,500	4,500	1,380	(3,120)
Miscellaneous	352,355	352,355	440,345	87,990
Intergovernmental revenues:				
Local government	4,592,672	4,393,941	3,918,622	(475,319)
Commonwealth	15,287,468	14,640,308	13,692,250	(948,058)
Federal	1,985,839	5,101,644	3,999,642	(1,102,002)
Total revenues	<u>\$ 22,223,834</u>	<u>\$ 24,493,748</u>	<u>\$ 22,060,467</u>	<u>\$ (2,433,281)</u>
EXPENDITURES				
Current:				
Education	\$ 21,390,389	\$ 23,789,086	\$ 21,020,062	\$ 2,769,024
Capital projects	833,445	903,393	1,040,405	(137,012)
Total expenditures	<u>\$ 22,223,834</u>	<u>\$ 24,692,479</u>	<u>\$ 22,060,467</u>	<u>\$ 2,632,012</u>
Net change in fund balances	\$ -	\$ (198,731)	\$ -	\$ 198,731
Fund balances - beginning	-	-	500	500
Fund balances - ending	<u>\$ -</u>	<u>\$ (198,731)</u>	<u>\$ 500</u>	<u>\$ 199,231</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		
\$ -	\$ -	\$ 174	\$ 174	\$ -	\$ -	\$ -	\$ -
384,200	384,200	226,962	(157,238)	-	-	-	-
-	-	29	29	-	-	-	-
-	-	-	-	357,332	357,332	357,332	-
13,440	13,440	12,467	(973)	-	-	-	-
820,000	820,000	929,804	109,804	-	-	-	-
<u>\$ 1,217,640</u>	<u>\$ 1,217,640</u>	<u>\$ 1,169,436</u>	<u>\$ (48,204)</u>	<u>\$ 357,332</u>	<u>\$ 357,332</u>	<u>\$ 357,332</u>	<u>\$ -</u>
\$ 1,217,640	\$ 1,217,640	\$ 1,128,499	\$ 89,141	\$ -	\$ -	\$ -	\$ -
-	-	-	-	357,332	358,212	358,212	-
<u>\$ 1,217,640</u>	<u>\$ 1,217,640</u>	<u>\$ 1,128,499</u>	<u>\$ 89,141</u>	<u>\$ 357,332</u>	<u>\$ 358,212</u>	<u>\$ 358,212</u>	<u>\$ -</u>
\$ -	\$ -	\$ 40,937	\$ 40,937	\$ -	\$ (880)	\$ (880)	\$ -
-	-	126,934	126,934	-	880	880	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167,871</u>	<u>\$ 167,871</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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Supporting Schedules

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Schedule of Revenues - Budget and Actual

Governmental Funds

For the Year Ended June 30, 2010

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	\$ 4,760,000	\$ 4,760,000	\$ 4,865,251	\$ 105,251
Real and personal public service corporation taxes	148,000	148,000	187,188	39,188
Personal property taxes	2,199,000	2,199,000	2,197,979	(1,021)
Mobile home taxes	41,000	41,000	41,207	207
Machinery and tools taxes	490,000	490,000	514,941	24,941
Merchants capital taxes	106,000	106,000	123,596	17,596
Penalties	90,000	90,000	107,755	17,755
Interest	45,000	45,000	50,188	5,188
Total general property taxes	<u>\$ 7,879,000</u>	<u>\$ 7,879,000</u>	<u>\$ 8,088,105</u>	<u>\$ 209,105</u>
Other local taxes:				
Local sales and use taxes	\$ 675,000	\$ 675,000	\$ 630,997	\$ (44,003)
Consumers' utility taxes	250,000	250,000	256,602	6,602
Bank stock taxes	10,000	10,000	15,401	5,401
Franchise license taxes	15,000	15,000	34,068	19,068
Motor vehicle licenses	345,000	345,000	342,398	(2,602)
Taxes on recordation and wills	70,000	70,000	55,914	(14,086)
Utility consumption taxes	45,000	45,000	44,450	(550)
Total other local taxes	<u>\$ 1,410,000</u>	<u>\$ 1,410,000</u>	<u>\$ 1,379,830</u>	<u>\$ (30,170)</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 18,000	\$ 18,000	\$ 17,738	\$ (262)
Zoning application fees	8,000	8,000	7,220	(780)
Transfer fees	800	800	629	(171)
Permits and other licenses	60,000	60,000	51,152	(8,848)
Total permits, privilege fees, and regulatory licenses	<u>\$ 86,800</u>	<u>\$ 86,800</u>	<u>\$ 76,739</u>	<u>\$ (10,061)</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 400,000	\$ 400,000	\$ 380,180	\$ (19,820)
Revenue from use of money and property:				
Revenue from use of money	\$ 200,000	\$ 200,000	\$ 204,857	\$ 4,857
Revenue from use of property	22,600	22,600	22,600	-
Total revenue from use of money and property	<u>\$ 222,600</u>	<u>\$ 222,600</u>	<u>\$ 227,457</u>	<u>\$ 4,857</u>
Charges for services:				
Charges for law enforcement and traffic control	\$ 1,000	\$ 1,000	\$ 990	\$ (10)
Charges for courthouse maintenance	20,000	20,000	27,197	7,197
Charges for court costs	125,000	125,000	138,043	13,043
Law library fees	2,000	2,000	1,526	(474)
Charges for Commonwealth's Attorney	900	900	1,172	272
Miscellaneous jail and inmate fees	3,000	3,000	5,766	2,766
Home incarceration program	-	15,000	17,435	2,435
Animal shelter fees	100	100	85	(15)

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010 (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)				
Charges for correction and detention	\$ 20,000	\$ 20,000	\$ 20,889	\$ 889
Charges for sanitation and waste removal	162,000	162,000	145,097	(16,903)
Charges for landfill host fees	1,400,000	1,400,000	1,117,538	(282,462)
Charges for planning and community development	2,000	2,000	1,572	(428)
Charges for off-track betting	35,000	35,000	29,185	(5,815)
Total charges for services	<u>\$ 1,771,000</u>	<u>\$ 1,786,000</u>	<u>\$ 1,506,495</u>	<u>\$ (279,505)</u>
Miscellaneous revenue:				
Miscellaneous	\$ 5,000	\$ 5,000	\$ 45,436	\$ 40,436
Recovered costs:				
Landfill inspection fees	\$ 165,000	\$ 165,000	\$ 161,759	\$ (3,241)
Tax bills - Lawrenceville	1,800	1,800	2,082	282
School resource officer	95,189	95,189	95,254	65
Clerk of Circuit Court copy cost reimbursement	-	-	2,548	2,548
Inmate medical co-pay	-	-	1,564	1,564
Meherrin River Regional Jail reimbursement	-	-	125,216	125,216
Total recovered costs	<u>\$ 261,989</u>	<u>\$ 261,989</u>	<u>\$ 388,423</u>	<u>\$ 126,434</u>
Total revenue from local sources	<u>\$ 12,036,389</u>	<u>\$ 12,051,389</u>	<u>\$ 12,092,665</u>	<u>\$ 41,276</u>
Revenue from the Commonwealth:				
Noncategorical aid:				
Animal friendly plates - DMV	\$ -	\$ -	\$ 76	\$ 76
Grantor's tax	20,000	20,000	13,322	(6,678)
Mobile home titling tax	35,000	35,000	48,521	13,521
Rolling stock tax	7,000	7,000	8,869	1,869
Motor vehicle rental tax	-	-	952	952
State recordation tax	16,500	16,500	23,746	7,246
Personal property tax relief funds	1,355,500	1,355,500	1,355,736	236
Communication taxes	455,000	455,000	439,095	(15,905)
Reduction in State Aid	(105,364)	(101,677)	(101,677)	-
Total noncategorical aid	<u>\$ 1,783,636</u>	<u>\$ 1,787,323</u>	<u>\$ 1,788,640</u>	<u>\$ 1,317</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 315,000	\$ 315,000	\$ 301,391	\$ (13,609)
Sheriff	1,500,000	1,500,000	1,314,262	(185,738)
Commissioner of revenue	97,000	97,000	91,321	(5,679)
Treasurer	99,000	99,000	94,203	(4,797)
Registrar/electoral board	47,000	47,000	43,610	(3,390)
Clerk of the Circuit Court	165,000	180,621	181,344	723
Total shared expenses	<u>\$ 2,223,000</u>	<u>\$ 2,238,621</u>	<u>\$ 2,026,131</u>	<u>\$ (212,490)</u>

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid:				
Emergency medical services - four for life	\$ 14,000	\$ 14,802	\$ 14,802	\$ -
Fire program funds	43,000	45,704	45,704	-
Litter control grant	7,000	7,000	5,984	(1,016)
Care of prisoners	140,000	140,000	155,525	15,525
Correctional Center	95,000	95,000	105,947	10,947
Victim witness grant	50,000	50,000	55,284	5,284
PSAP - Phase II - Wireless	-	-	96,405	96,405
DMV license agent commission	15,500	19,711	18,171	(1,540)
Drug forfeiture funds	30,000	45,000	95,263	50,263
Arts Grant	5,000	5,000	5,000	-
Community services grant	10,000	10,000	-	(10,000)
Other grants	-	1,854	1,854	-
Total other categorical aid	<u>\$ 409,500</u>	<u>\$ 434,071</u>	<u>\$ 599,939</u>	<u>\$ 165,868</u>
Total categorical aid	<u>\$ 2,632,500</u>	<u>\$ 2,672,692</u>	<u>\$ 2,626,070</u>	<u>\$ (46,622)</u>
Total revenue from the Commonwealth	<u>\$ 4,416,136</u>	<u>\$ 4,460,015</u>	<u>\$ 4,414,710</u>	<u>\$ (45,305)</u>
Revenue from the federal government:				
Categorical aid:				
Homeland security grant	\$ -	\$ 25,550	\$ 25,550	\$ -
Drug forfeiture funds	-	13,532	23,436	9,904
Cost allocation plan	25,000	25,000	27,411	2,411
DCJS - GOSAP project plead grant	-	1,796	1,796	-
DUI selective enforcement grant	-	-	10,362	10,362
JAG - Byrne justice grant - ARRA	-	-	72,371	72,371
USDA Semi-auto rifle grant	-	16,540	16,530	(10)
Total categorical aid	<u>\$ 25,000</u>	<u>\$ 82,418</u>	<u>\$ 177,456</u>	<u>\$ 95,038</u>
Total revenue from the federal government	<u>\$ 25,000</u>	<u>\$ 82,418</u>	<u>\$ 177,456</u>	<u>\$ 95,038</u>
Total General Fund	<u>\$ 16,477,525</u>	<u>\$ 16,593,822</u>	<u>\$ 16,684,831</u>	<u>\$ 91,009</u>
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Revenue from local sources:				
Miscellaneous revenue:				
Expenditure refunds	\$ -	\$ -	\$ 4,926	\$ 4,926
Total miscellaneous revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,926</u>	<u>\$ 4,926</u>

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Funds: (Continued)				
Virginia Public Assistance Fund: (Continued)				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ 757,700	\$ 757,700	\$ 701,628	\$ (56,072)
Total revenue from the Commonwealth	<u>\$ 757,700</u>	<u>\$ 757,700</u>	<u>\$ 701,628</u>	<u>\$ (56,072)</u>
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 1,130,536	\$ 1,130,536	\$ 987,374	\$ (143,162)
Public assistance and welfare administration - ARRA	-	-	51,656	51,656
Total categorical aid	<u>\$ 1,130,536</u>	<u>\$ 1,130,536</u>	<u>\$ 1,039,030</u>	<u>\$ (91,506)</u>
Total revenue from the federal government	<u>\$ 1,130,536</u>	<u>\$ 1,130,536</u>	<u>\$ 1,039,030</u>	<u>\$ (91,506)</u>
Total Virginia Public Assistance Fund	<u>\$ 1,888,236</u>	<u>\$ 1,888,236</u>	<u>\$ 1,745,584</u>	<u>\$ (142,652)</u>
Airport Commission Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 2,000	\$ 2,000	\$ 1,590	\$ (410)
Charges for services:				
Sale of fuel	\$ 13,500	\$ 13,500	\$ 17,611	\$ 4,111
Recovered costs:				
Recovered costs - Lawrenceville	\$ 18,085	\$ 18,085	\$ 16,111	\$ (1,974)
Total revenue from local sources	<u>\$ 33,585</u>	<u>\$ 33,585</u>	<u>\$ 35,312</u>	<u>\$ 1,727</u>
Revenue from the Commonwealth:				
Categorical aid:				
Department of aviation grant	\$ -	\$ 3,800	\$ 3,800	\$ -
Total Airport Commission Fund	<u>\$ 33,585</u>	<u>\$ 37,385</u>	<u>\$ 39,112</u>	<u>\$ 1,727</u>
CSA Fund:				
Revenue from local sources:				
Miscellaneous revenue:				
Expenditure refunds	\$ 4,000	\$ 4,000	\$ 34,594	\$ 30,594
Other miscellaneous	-	-	965	965
Total miscellaneous revenue	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 35,559</u>	<u>\$ 31,559</u>
Revenue from the Commonwealth:				
Categorical aid:				
Comprehensive Services Act	\$ 615,797	\$ 615,797	\$ 577,153	\$ (38,644)
PSSF grant	15,514	15,514	1,151	(14,363)
Total categorical aid	<u>\$ 631,311</u>	<u>\$ 631,311</u>	<u>\$ 578,304</u>	<u>\$ (53,007)</u>
Total revenue from the Commonwealth	<u>\$ 631,311</u>	<u>\$ 631,311</u>	<u>\$ 578,304</u>	<u>\$ (53,007)</u>

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Funds: (Continued)				
CSA Fund: (Continued)				
Revenue from the federal government:				
Categorical aid:				
PSSF grant	\$ -	\$ -	\$ 14,363	\$ 14,363
Total CSA Fund	<u>\$ 635,311</u>	<u>\$ 635,311</u>	<u>\$ 628,226</u>	<u>\$ (7,085)</u>
Debt Service Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 30,000	\$ 30,000	\$ 52,193	\$ 22,193
Total Debt Service Fund	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 52,193</u>	<u>\$ 22,193</u>
Capital Projects Funds:				
County Capital Improvements Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 40,000	\$ 40,000	\$ 67,000	\$ 27,000
Miscellaneous revenue:				
Miscellaneous	\$ -	\$ 587,438	\$ 696,182	\$ 108,744
Total revenue from local sources	<u>\$ 40,000</u>	<u>\$ 627,438</u>	<u>\$ 763,182</u>	<u>\$ 135,744</u>
Revenue from the Commonwealth:				
Categorical aid:				
E911 Wireless	\$ 113,280	\$ 141,600	\$ 141,600	\$ -
Stormwater pollution prevention	4,000	4,800	4,774	(26)
Total categorical aid	<u>\$ 117,280</u>	<u>\$ 146,400</u>	<u>\$ 146,374</u>	<u>\$ (26)</u>
Total revenue from the Commonwealth	<u>\$ 117,280</u>	<u>\$ 146,400</u>	<u>\$ 146,374</u>	<u>\$ (26)</u>
Revenue from the federal government:				
Categorical aid:				
Community Development Block Grant	\$ 829,630	\$ 1,932,140	\$ 192,835	\$ (1,739,305)
State Homeland Security Grant	-	985,531	311,643	(673,888)
DCJS - network systems grant	27,525	27,525	-	(27,525)
Total categorical aid	<u>\$ 857,155</u>	<u>\$ 2,945,196</u>	<u>\$ 504,478</u>	<u>\$ (2,440,718)</u>
Total revenue from the federal government	<u>\$ 857,155</u>	<u>\$ 2,945,196</u>	<u>\$ 504,478</u>	<u>\$ (2,440,718)</u>
Total County Capital Improvements Fund	<u>\$ 1,014,435</u>	<u>\$ 3,719,034</u>	<u>\$ 1,414,034</u>	<u>\$ (2,305,000)</u>
Total Primary Government	<u>\$ 20,079,092</u>	<u>\$ 22,903,788</u>	<u>\$ 20,563,980</u>	<u>\$ (2,339,808)</u>

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board:				
Special Revenue Funds:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 1,000	\$ 1,000	\$ 8,228	\$ 7,228
Charges for services:				
Charges for education	\$ 4,500	\$ 4,500	\$ 1,380	\$ (3,120)
Miscellaneous revenue:				
E-Rate	\$ 274,855	\$ 274,855	\$ 193,986	\$ (80,869)
Other miscellaneous	77,500	77,500	246,359	168,859
Total miscellaneous revenue	\$ 352,355	\$ 352,355	\$ 440,345	\$ 87,990
Total revenue from local sources	\$ 357,855	\$ 357,855	\$ 449,953	\$ 92,098
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Brunswick, Virginia	\$ 4,592,672	\$ 4,393,941	\$ 3,918,622	\$ (475,319)
Total revenues from local governments	\$ 4,592,672	\$ 4,393,941	\$ 3,918,622	\$ (475,319)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,145,289	\$ 2,145,289	\$ 1,977,679	\$ (167,610)
Basic school aid	7,007,993	7,007,993	6,714,909	(293,084)
Remedial summer education	145,552	145,552	120,089	(25,463)
Regular foster care	4,325	4,325	2,643	(1,682)
Special education foster care	-	-	20,662	20,662
Adult secondary education	13,590	13,590	7,859	(5,731)
Gifted and talented	67,423	67,423	69,886	2,463
Remedial education	386,951	386,951	401,083	14,132
Enrollment loss	156,167	156,167	22,017	(134,150)
Special education	1,004,021	1,004,021	1,040,690	36,669
Textbook payment	173,718	173,718	79,621	(94,097)
Vocational standards of quality payments	240,379	240,379	249,158	8,779
Vocational education - equipment	-	-	6,292	6,292
Vocational occupational preparedness	26,622	26,622	17,925	(8,697)
Social security fringe benefits	426,526	426,526	442,103	15,577
Retirement fringe benefits	549,647	549,647	426,911	(122,736)
Group life fringe benefits	14,657	14,657	12,154	(2,503)
State lottery payments	316,277	316,277	175,398	(140,879)
Early reading intervention	43,044	43,044	38,513	(4,531)
Homebound education	20,147	20,147	16,525	(3,622)
At risk payments	535,257	535,257	543,947	8,690
At risk payments - 4 year olds	256,963	256,963	243,672	(13,291)

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010 (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 Funds: (Continued)				
School Operating Fund: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
State disparity initiatives	\$ 435,104	\$ 435,104	\$ 449,093	\$ 13,989
Alternative education	385,218	385,218	374,589	(10,629)
Technology	206,000	206,000	167,705	(38,295)
Standards of Learning algebra readiness	43,918	43,918	46,280	2,362
Mentor teacher program	2,671	2,671	7,122	4,451
English as a second language	15,555	15,555	12,235	(3,320)
State stimulus revenues	647,160	-	-	-
Other state funds	17,294	17,294	5,490	(11,804)
Total categorical aid	<u>\$ 15,287,468</u>	<u>\$ 14,640,308</u>	<u>\$ 13,692,250</u>	<u>\$ (948,058)</u>
Total revenue from the Commonwealth	<u>\$ 15,287,468</u>	<u>\$ 14,640,308</u>	<u>\$ 13,692,250</u>	<u>\$ (948,058)</u>
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 710,281	\$ 809,047	\$ 806,530	\$ (2,517)
Title I - ARRA	-	594,573	368,316	(226,257)
Title VI-B, special education flow-through	527,912	622,654	541,828	(80,826)
Title VI-B, special education flow-through - ARRA	-	598,090	56,181	(541,909)
Vocational education	56,614	56,614	52,055	(4,559)
Title VI-B, special education pre-school	12,120	15,037	12,037	(3,000)
Title VI-B, special education pre-school - ARRA	-	20,141	-	(20,141)
Rural and low income schools	-	75,824	44,312	(31,512)
Title V-A	-	15	15	-
Title IV - 21st century learning grant	328,901	461,885	282,209	(179,676)
Drug free schools	13,485	23,479	9,039	(14,440)
Title II, Part A	178,519	190,471	192,886	2,415
Title II, Part D	7,181	14,362	5,200	(9,162)
Title II, Part D - ARRA	-	20,531	15,420	(5,111)
Reading first grant	-	80,416	80,416	-
Headstart	99,826	102,881	96,809	(6,072)
JROTC	51,000	51,000	58,186	7,186
State Fiscal Stabilization Funds - ARRA	-	1,364,624	1,364,664	40
Other federal revenues	-	-	13,539	13,539
Total categorical aid	<u>\$ 1,985,839</u>	<u>\$ 5,101,644</u>	<u>\$ 3,999,642</u>	<u>\$ (1,102,002)</u>
Total revenue from the federal government	<u>\$ 1,985,839</u>	<u>\$ 5,101,644</u>	<u>\$ 3,999,642</u>	<u>\$ (1,102,002)</u>
Total School Operating Fund	<u>\$ 22,223,834</u>	<u>\$ 24,493,748</u>	<u>\$ 22,060,467</u>	<u>\$ (2,433,281)</u>

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010 (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 Funds: (Continued)				
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 174	\$ 174
Charges for services:				
Cafeteria sales	\$ 384,200	\$ 384,200	\$ 226,962	\$ (157,238)
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 29	\$ 29
Total revenue from local sources	\$ 384,200	\$ 384,200	\$ 227,165	\$ (157,035)
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 13,440	\$ 13,440	\$ 12,467	\$ (973)
Total categorical aid	\$ 13,440	\$ 13,440	\$ 12,467	\$ (973)
Total revenue from the Commonwealth	\$ 13,440	\$ 13,440	\$ 12,467	\$ (973)
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 820,000	\$ 820,000	\$ 793,855	\$ (26,145)
Fresh fruit and vegetables grant	-	-	36,131	36,131
Summer feeding program	-	-	41,455	41,455
Commodities	-	-	58,363	58,363
Total categorical aid	\$ 820,000	\$ 820,000	\$ 929,804	\$ 109,804
Total School Cafeteria Fund	\$ 1,217,640	\$ 1,217,640	\$ 1,169,436	\$ (48,204)
Capital Projects Fund:				
School Capital Improvements Fund:				
Revenue from local sources:				
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Brunswick, Virginia	\$ 357,332	\$ 357,332	\$ 357,332	\$ -
Total School Capital Improvements Fund	\$ 357,332	\$ 357,332	\$ 357,332	\$ -
Total Discretely Presented Component Unit - School Board	\$ 23,798,806	\$ 26,068,720	\$ 23,587,235	\$ (2,481,485)

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010

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	\$ 215,992	\$ 230,038	\$ 201,047	\$ 28,991
General and financial administration:				
County administrator	\$ 259,063	\$ 263,929	\$ 258,499	\$ 5,430
Independent auditor	25,000	25,000	25,000	-
Commissioner of revenue	220,271	220,271	208,155	12,116
Treasurer	239,783	239,783	234,981	4,802
Finance department	304,765	304,765	196,334	108,431
DMV select	15,500	20,670	19,129	1,541
Total general and financial administration	<u>\$ 1,064,382</u>	<u>\$ 1,074,418</u>	<u>\$ 942,098</u>	<u>\$ 132,320</u>
Board of elections:				
Electoral board and officials	\$ 37,618	\$ 37,618	\$ 36,231	\$ 1,387
Registrar	88,793	88,793	76,056	12,737
Total board of elections	<u>\$ 126,411</u>	<u>\$ 126,411</u>	<u>\$ 112,287</u>	<u>\$ 14,124</u>
Total general government administration	<u>\$ 1,406,785</u>	<u>\$ 1,430,867</u>	<u>\$ 1,255,432</u>	<u>\$ 175,435</u>
Judicial administration:				
Courts:				
Circuit court	\$ 24,665	\$ 25,165	\$ 25,130	\$ 35
General district court	17,228	17,228	17,089	139
Special magistrates	1,903	1,903	1,585	318
Clerk of the circuit court	278,232	293,853	282,140	11,713
Law library	2,000	2,000	719	1,281
Victim/witness assistance program	65,629	65,629	64,505	1,124
Courthouse security	93,108	93,108	86,039	7,069
Total courts	<u>\$ 482,765</u>	<u>\$ 498,886</u>	<u>\$ 477,207</u>	<u>\$ 21,679</u>
Commonwealth's attorney:				
Commonwealth's attorney	\$ 409,540	\$ 409,540	\$ 409,392	\$ 148
Asset forfeiture	-	15,000	8,165	6,835
Total commonwealth's attorney	<u>\$ 409,540</u>	<u>\$ 424,540</u>	<u>\$ 417,557</u>	<u>\$ 6,983</u>
Total judicial administration	<u>\$ 892,305</u>	<u>\$ 923,426</u>	<u>\$ 894,764</u>	<u>\$ 28,662</u>
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,532,010	\$ 1,565,082	\$ 1,565,064	\$ 18
Sheriff - communications	296,380	286,095	258,282	27,813
Asset forfeiture	30,000	30,000	31,810	(1,810)
E911 system	325,432	325,432	322,655	2,777
School resource officer	95,254	99,539	99,587	(48)
Total law enforcement and traffic control	<u>\$ 2,279,076</u>	<u>\$ 2,306,148</u>	<u>\$ 2,277,398</u>	<u>\$ 28,750</u>

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010 (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	\$ 296,602	\$ 360,658	\$ 360,511	\$ 147
Medflight program	855	855	855	-
Division of forestry	24,633	23,770	23,133	637
Total fire and rescue services	<u>\$ 322,090</u>	<u>\$ 385,283</u>	<u>\$ 384,499</u>	<u>\$ 784</u>
Correction and detention:				
Sheriff	\$ 1,924,424	\$ 2,127,424	\$ 2,119,776	\$ 7,648
VJCCA	635	635	635	-
Probation office	48,410	66,839	66,839	-
Home incarceration program	-	15,000	9,610	5,390
Total correction and detention	<u>\$ 1,973,469</u>	<u>\$ 2,209,898</u>	<u>\$ 2,196,860</u>	<u>\$ 13,038</u>
Inspections:				
Building	\$ 117,750	\$ 117,750	\$ 110,096	\$ 7,654
Total inspections	<u>\$ 117,750</u>	<u>\$ 117,750</u>	<u>\$ 110,096</u>	<u>\$ 7,654</u>
Other protection:				
Animal control	\$ 131,107	\$ 131,107	\$ 125,392	\$ 5,715
Medical examiner	300	300	120	180
Emergency services	7,566	7,566	7,353	213
Total other protection	<u>\$ 138,973</u>	<u>\$ 138,973</u>	<u>\$ 132,865</u>	<u>\$ 6,108</u>
Total public safety	<u>\$ 4,831,358</u>	<u>\$ 5,158,052</u>	<u>\$ 5,101,718</u>	<u>\$ 56,334</u>
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Highways, streets, bridges and sidewalks	\$ 25,000	\$ 25,000	\$ 25,001	\$ (1)
Sanitation and waste removal:				
Refuse collection and disposal	\$ 827,900	\$ 830,900	\$ 732,116	\$ 98,784
Litter control	7,161	7,161	6,343	818
Inmate litter control	36,074	36,074	26,476	9,598
Lake Gaston weed control	92,922	92,922	92,922	-
Total sanitation and waste removal	<u>\$ 964,057</u>	<u>\$ 967,057</u>	<u>\$ 857,857</u>	<u>\$ 109,200</u>
Maintenance of general buildings and grounds:				
General properties	\$ 257,293	\$ 321,843	\$ 321,236	\$ 607
Courthouse maintenance	17,000	17,000	3,094	13,906
General engineering/administration	167,889	157,889	156,276	1,613
Total maintenance of general buildings and grounds	<u>\$ 442,182</u>	<u>\$ 496,732</u>	<u>\$ 480,606</u>	<u>\$ 16,126</u>
Total public works	<u>\$ 1,431,239</u>	<u>\$ 1,488,789</u>	<u>\$ 1,363,464</u>	<u>\$ 125,325</u>

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Health and welfare:				
Health:				
Supplement of local health department	\$ 104,642	\$ 104,642	\$ 104,403	\$ 239
Mental health and mental retardation:				
Southside Community Services Board	\$ 48,320	\$ 48,320	\$ 48,320	\$ -
Welfare:				
Local area on aging	\$ 2,822	\$ 2,822	\$ 2,822	\$ -
Madeline's house and piedmont crisis center	4,275	4,275	-	4,275
Southside senior citizens center	4,275	4,275	4,275	-
Total welfare	\$ 11,372	\$ 11,372	\$ 7,097	\$ 4,275
Total health and welfare	\$ 164,334	\$ 164,334	\$ 159,820	\$ 4,514
Education:				
Other instructional costs:				
Contributions to Southside Virginia Community College	\$ 4,084	\$ 4,084	\$ 4,084	\$ -
Contribution to County School Board	4,592,672	4,393,941	3,918,622	475,319
Headstart program	42,750	44,906	44,906	-
Total education	\$ 4,639,506	\$ 4,442,931	\$ 3,967,612	\$ 475,319
Parks, recreation, and cultural:				
Parks and recreation:				
Recreation youth league	\$ 13,894	\$ 13,894	\$ 13,894	\$ -
Water safety council	3,890	5,290	4,878	412
Total parks and recreation	\$ 17,784	\$ 19,184	\$ 18,772	\$ 412
Cultural enrichment:				
Historical society	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
Chamber of commerce	3,510	3,510	3,510	-
Tourism association	14,561	14,561	14,561	-
Total cultural enrichment	\$ 19,071	\$ 19,071	\$ 19,071	\$ -
Library:				
Contribution to regional library	\$ 200,658	\$ 200,658	\$ 200,658	\$ -
Total parks, recreation, and cultural	\$ 237,513	\$ 238,913	\$ 238,501	\$ 412
Community development:				
Planning and community development:				
Planning	\$ 155,619	\$ 155,619	\$ 138,731	\$ 16,888
Industrial development authority	82,080	82,080	82,080	-
Regional planning commission	25,024	25,024	25,024	-
Roanoke River Regional Business Park	5,000	5,000	5,000	-

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Community development: (Continued)				
Planning and community development: (Continued)				
Brunswick literacy council	\$ 3,890	\$ 3,890	\$ 3,890	\$ -
Mecklenburg - regional airport	10,000	10,000	10,000	-
Art bank	10,000	10,000	10,000	-
Brodnax TEA-21 matching funds	-	60,500	60,500	-
Brodnax sewer capacity	8,736	8,736	8,736	-
Virginia's Retreat Consortium	-	4,500	4,500	-
Total planning and community development	<u>\$ 300,349</u>	<u>\$ 365,349</u>	<u>\$ 348,461</u>	<u>\$ 16,888</u>
Environmental management:				
Contribution to soil and water district	\$ 12,825	\$ 12,825	\$ 12,825	\$ -
Cooperative extension program:				
Extension office	\$ 64,733	\$ 66,587	\$ 66,231	\$ 356
Total community development	<u>\$ 377,907</u>	<u>\$ 444,761</u>	<u>\$ 427,517</u>	<u>\$ 17,244</u>
Capital projects:				
Other capital projects	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Total capital projects	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>
Debt service:				
Principal retirement	\$ 270,600	\$ 270,600	\$ 275,385	\$ (4,785)
Interest and other fiscal charges	178,295	178,295	181,716	(3,421)
Total debt service	<u>\$ 448,895</u>	<u>\$ 448,895</u>	<u>\$ 457,101</u>	<u>\$ (8,206)</u>
Total General Fund	<u>\$ 14,439,842</u>	<u>\$ 14,750,968</u>	<u>\$ 13,875,929</u>	<u>\$ 875,039</u>
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Health and welfare:				
Welfare and social services:				
Welfare administration	\$ 1,501,191	\$ 1,501,191	\$ 1,469,442	\$ 31,749
Public assistance	732,187	732,187	539,479	192,708
ARRA - public assistance	-	-	39,222	(39,222)
Total welfare and social services	<u>\$ 2,233,378</u>	<u>\$ 2,233,378</u>	<u>\$ 2,048,143</u>	<u>\$ 185,235</u>
Total Virginia Public Assistance Fund	<u>\$ 2,233,378</u>	<u>\$ 2,233,378</u>	<u>\$ 2,048,143</u>	<u>\$ 185,235</u>
Airport Commission Fund:				
Public works:				
Maintenance of general buildings and grounds	\$ 69,754	\$ 73,554	\$ 68,117	\$ 5,437
Total Airport Commission Fund	<u>\$ 69,754</u>	<u>\$ 73,554</u>	<u>\$ 68,117</u>	<u>\$ 5,437</u>

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Funds: (Continued)				
CSA Fund:				
Health and welfare:				
Welfare and social services:				
Comprehensive services	\$ 928,360	\$ 928,360	\$ 845,726	\$ 82,634
Total CSA Fund	<u>\$ 928,360</u>	<u>\$ 928,360</u>	<u>\$ 845,726</u>	<u>\$ 82,634</u>
Debt Service Fund:				
Debt service:				
Principal retirement	\$ 694,909	\$ 694,909	\$ 559,675	\$ 135,234
Interest and other fiscal charges	377,445	377,445	427,959	(50,514)
Total Debt Service Fund	<u>\$ 1,072,354</u>	<u>\$ 1,072,354</u>	<u>\$ 987,634</u>	<u>\$ 84,720</u>
Capital Projects Funds:				
County Capital Improvements Fund:				
Education:				
County contribution to component unit school board	\$ 357,332	\$ 357,332	\$ 357,332	\$ -
Capital projects expenditures:				
Sheriff's vehicle/equipment	\$ 106,084	\$ 106,084	\$ 105,922	\$ 162
LINX grant	-	985,531	358,730	626,801
Convenience centers	130,780	130,780	126,980	3,800
E911 communications center	141,558	141,600	141,600	-
IDA capital projects	200,000	200,000	200,000	-
Fire and rescue services	254,315	254,315	252,625	1,690
Fort Christanna/Visitors Center	88,000	83,500	83,102	398
Brunswick county housing production project	-	950	-	950
Airport stormwater pollution prevention plan	5,000	6,000	5,968	32
Roanoke River Rails to Trails	15,000	-	-	-
Green Acres project	55,000	55,000	-	55,000
Simmons Drive CDBG grant	8,000	1,110,510	63,223	1,047,287
Silver Trail housing project	467,380	1,054,818	223,682	831,136
Urgent needs project - CDBG grant	354,250	354,250	110,304	243,946
Narrowbanding	60,000	60,000	43,881	16,119
Total capital projects	<u>\$ 1,885,367</u>	<u>\$ 4,543,338</u>	<u>\$ 1,716,017</u>	<u>\$ 2,827,321</u>
Total County Capital Improvements Fund	<u>\$ 2,242,699</u>	<u>\$ 4,900,670</u>	<u>\$ 2,073,349</u>	<u>\$ 2,827,321</u>
Total Primary Government	<u>\$ 20,986,387</u>	<u>\$ 23,959,284</u>	<u>\$ 19,898,898</u>	<u>\$ 4,060,386</u>

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board:				
Special Revenue Funds:				
School Operating Fund:				
Education:				
Instruction costs:				
Elementary and secondary schools	\$ 13,387,224	\$ 14,374,031	\$ 11,306,981	\$ 3,067,050
Guidance services	356,101	356,101	404,813	(48,712)
Homebound instruction	-	-	47,607	(47,607)
Other instructional costs	1,389,197	2,262,608	2,655,310	(392,702)
Media services	26,160	35,533	330,690	(295,157)
Office of the principal	872,207	872,207	1,192,524	(320,317)
Total instruction costs	<u>\$ 16,030,889</u>	<u>\$ 17,900,480</u>	<u>\$ 15,937,925</u>	<u>\$ 1,962,555</u>
Operating costs:				
Administration, attendance and health services	\$ 996,705	\$ 1,099,789	\$ 718,476	\$ 381,313
Pupil transportation	1,812,759	2,061,525	1,944,086	117,439
Operation and maintenance of school plant	2,550,036	2,727,292	2,419,067	308,225
Other operating costs	-	-	508	(508)
Total operating costs	<u>\$ 5,359,500</u>	<u>\$ 5,888,606</u>	<u>\$ 5,082,137</u>	<u>\$ 806,469</u>
Total education	<u>\$ 21,390,389</u>	<u>\$ 23,789,086</u>	<u>\$ 21,020,062</u>	<u>\$ 2,769,024</u>
Capital projects:				
Technology	\$ 833,445	\$ 903,393	\$ 1,040,405	\$ (137,012)
Total capital projects	<u>\$ 833,445</u>	<u>\$ 903,393</u>	<u>\$ 1,040,405</u>	<u>\$ (137,012)</u>
Total School Fund	<u>\$ 22,223,834</u>	<u>\$ 24,692,479</u>	<u>\$ 22,060,467</u>	<u>\$ 2,632,012</u>
Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ 1,217,640	\$ 1,217,640	\$ 1,128,499	\$ 89,141
Total school food services	<u>\$ 1,217,640</u>	<u>\$ 1,217,640</u>	<u>\$ 1,128,499</u>	<u>\$ 89,141</u>
Total Cafeteria Fund	<u>\$ 1,217,640</u>	<u>\$ 1,217,640</u>	<u>\$ 1,128,499</u>	<u>\$ 89,141</u>
School Capital Projects Fund:				
Capital projects expenditures:				
Transportation	\$ 200,332	\$ 201,212	\$ 204,900	\$ (3,688)
Building services	157,000	157,000	153,312	3,688
Total School Capital Projects Fund	<u>\$ 357,332</u>	<u>\$ 358,212</u>	<u>\$ 358,212</u>	<u>\$ -</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 23,798,806</u>	<u>\$ 26,268,331</u>	<u>\$ 23,547,178</u>	<u>\$ 2,721,153</u>

Other Statistical Information

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COUNTY OF BRUNSWICK, VIRGINIA

Table 1

Government-Wide Expenses by Function
Last Ten Fiscal Years (1)

Fiscal Year	Government-Wide Expenses by Function										Total
	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt		
2002-03	\$ 1,146,007	\$ 421,846	\$ 2,696,457	\$ 1,301,392	\$ 2,213,653	\$ 4,665,666	\$ 271,046	\$ 982,943	\$ 232,374	\$ 13,931,384	
2003-04	1,175,006	411,332	3,293,504	1,067,817	2,494,402	5,471,077	240,344	1,389,998	248,860	15,792,340	
2004-05	1,247,569	732,751	4,145,804	1,092,765	2,430,134	5,068,083	247,577	660,584	496,403	16,121,670	
2005-06	1,473,689	599,130	4,811,739	1,187,597	2,510,174	5,253,988	256,960	823,763	581,867	17,498,907	
2006-07	1,330,260	692,541	5,324,896	1,319,385	3,016,582	9,541,387	383,300	1,513,809	616,612	23,738,772	
2007-08	1,319,368	785,654	5,659,559	1,680,903	3,301,226	5,426,767	411,754	2,010,158	596,920	21,192,309	
2008-09	1,370,787	927,890	5,322,982	1,566,564	3,254,460	5,831,744	330,017	800,234	588,556	19,993,234	
2009-10	1,429,532	894,337	5,412,405	1,382,358	3,076,860	4,891,976	265,889	1,025,792	616,328	18,995,477	

(1) Information has only been available for 8 years.

COUNTY OF BRUNSWICK, VIRGINIA

Government-Wide Revenues
Last Ten Fiscal Years (1)

Fiscal Year	PROGRAM REVENUES				GENERAL REVENUES				Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes (2)	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs (2)	
2002-03	\$ 1,529,767	\$ 3,695,610	\$ 726,059	\$ 5,471,787	\$ 1,652,501	\$ 189,822	\$ 129,699	\$ 1,653,729	\$ 15,048,974
2003-04	2,764,241	3,936,964	1,022,483	5,743,938	1,752,920	206,207	293,062	1,441,160	17,160,975
2004-05	2,909,245	4,148,344	411,918	6,542,984	1,870,637	392,989	111,069	1,350,743	17,737,929
2005-06	2,904,373	4,545,250	65,322	6,869,965	1,904,098	600,477	228,710	1,481,865	18,600,060
2006-07	2,723,571	5,471,611	1,765,162	7,723,222	1,951,691	794,111	189,531	1,496,948	22,115,847
2007-08	2,803,425	6,154,520	187,078	8,016,442	1,981,875	696,593	160,996	1,467,859	21,468,788
2008-09	2,379,898	5,526,714	133,650	8,463,615	1,871,159	448,917	92,902	1,348,089	20,264,944
2009-10	1,981,025	5,287,025	504,478	8,072,614	1,379,830	348,240	782,103	1,788,640	20,143,955

(1) Information has only been available for 8 years.

(2) Beginning in 2010, communication taxes have been reclassified from local taxes to noncategorical state aid in accordance with APA guidelines.

COUNTY OF BRUNSWICK, VIRGINIA

Table 3

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

Fiscal Year	General Government										Debt Service	Total
	Admini- stration	Judicial Admini- stration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Non- depart- mental	Debt		
2000-01	\$ 1,018,067	\$ 358,978	\$ 2,642,729	\$ 948,672	\$ 2,163,463	\$ 19,768,132	\$ 209,147	\$ 221,290	\$ -	\$ 823,401	\$ 28,153,879	
2001-02	1,136,812	381,492	2,837,643	966,208	2,308,781	19,190,032	206,864	205,299	-	639,677	27,872,808	
2002-03	979,400	412,439	2,569,062	1,262,950	2,307,497	19,853,725	264,243	216,772	30,372	614,419	28,510,879	
2003-04	1,013,611	403,625	2,979,828	1,121,855	2,448,826	19,350,007	216,742	518,997	32,721	2,173,627	30,259,839	
2004-05	1,160,328	451,915	3,647,888	1,141,835	2,396,214	21,256,911	227,926	298,670	-	686,073	31,267,760	
2005-06	1,221,178	598,425	4,191,306	1,341,660	2,462,198	22,637,980	238,632	283,822	-	823,985	33,799,186	
2006-07	1,199,509	687,288	4,772,179	1,401,541	2,993,062	23,166,142	344,169	365,416	-	995,253	35,924,559	
2007-08	1,260,123	782,040	5,197,678	1,622,938	3,264,597	24,422,278	339,565	398,095	-	1,408,253	38,695,567	
2008-09	1,309,575	928,539	5,017,772	1,547,560	3,237,850	25,282,253	296,089	428,625	-	1,387,401	39,435,664	
2009-10	1,255,432	894,764	5,101,718	1,431,581	3,053,689	23,596,168	238,501	427,517	-	1,444,735	37,444,105	

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

(2) Excludes contribution from Primary Government to Discretely Presented Component Units.

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, 3)	Total
2000-01	\$ 5,693,410	\$ 1,608,376	\$ 58,559	\$ 62,529	\$ 404,742	\$ 1,249,160	\$ 684,598	\$ 178,733	\$ 19,560,532	\$ 29,500,639
2001-02	5,461,792	1,576,024	66,748	111,938	334,016	1,323,134	530,953	174,900	20,663,240	30,242,745
2002-03	5,524,782	1,652,501	81,413	288,912	201,109	1,446,139	412,679	144,558	21,920,747	31,672,840
2003-04	5,720,956	1,752,920	96,156	312,007	183,006	2,630,497	483,759	172,176	21,060,106	32,411,583
2004-05	6,570,334	1,870,637	103,517	251,027	261,906	2,822,798	509,199	155,780	22,576,072	35,121,270
2005-06	6,854,397	1,904,098	115,644	286,863	466,711	2,771,062	605,483	174,231	24,007,706	37,186,195
2006-07	7,780,851	1,951,691	99,410	268,598	604,441	2,648,431	502,127	185,972	27,257,360	41,298,881
2007-08	8,066,496	1,981,875	85,788	421,430	543,245	2,571,285	539,261	189,174	25,447,367	39,845,921
2008-09	8,386,280	1,871,159	78,578	419,180	384,480	2,126,721	472,789	333,620	26,024,679	40,097,486
2009-10	8,088,105	1,379,830	76,739	380,180	289,642	1,752,448	526,295	404,534	25,563,454	38,461,227

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

(2) Excludes contribution from Primary Government to Discretely Presented Component Units.

(3) Beginning in 2010, communication taxes have been reclassified from local taxes to noncategorical state aid in accordance with APA guidelines.

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	
2000-01	\$	6,528,672	\$	6,217,086	95.23%	\$	136,526	\$	6,353,612	97.32%	\$	400,253		6.13%
2001-02		6,771,506		6,482,577	95.73%		330,086		6,812,663	100.61%		476,356		7.03%
2002-03		6,705,960		6,512,619	97.12%		190,645		6,703,264	99.96%		435,448		6.49%
2003-04		6,960,012		6,754,241	97.04%		143,022		6,897,263	99.10%		547,523		7.87%
2004-05		7,733,735		7,550,922	97.64%		106,029		7,656,951	99.01%		333,456		4.31%
2005-06		8,149,888		7,929,314	97.29%		95,657		8,024,971	98.47%		287,844		3.53%
2006-07		8,994,393		8,651,805	96.19%		336,306		8,988,111	99.93%		318,420		3.54%
2007-08		9,317,543		8,948,056	96.03%		309,381		9,257,437	99.35%		317,464		3.41%
2008-09		9,633,174		9,437,522	97.97%		136,923		9,574,445	99.39%		323,568		3.36%
2009-10		9,389,459		9,177,332	97.74%		108,565		9,285,897	98.90%		367,103		3.91%

(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		Machinery and Tools	Merchants Capital	Public Utility (2)	Total
		and Mobile Homes (1)					
2000-01	\$ 597,363,600	\$ 95,417,149	\$ 7,301,390	\$ -	\$ 42,688,723	\$ 742,770,862	
2001-02	613,054,030	99,483,060	7,831,650	-	48,891,508	769,260,248	
2002-03	625,315,455	97,876,930	18,216,208	8,465,040	43,798,789	793,672,422	
2003-04	637,840,021	101,638,820	7,643,920	9,042,600	46,307,837	802,473,198	
2004-05	654,687,815	99,195,340	10,507,740	8,685,280	40,328,658	813,404,833	
2005-06	670,211,150	108,321,710	11,915,210	7,897,170	35,850,669	834,195,909	
2006-07	1,198,603,348	115,501,239	12,466,790	8,477,320	51,829,901	1,386,878,598	
2007-08	1,227,726,495	120,564,560	13,807,890	8,712,840	47,720,737	1,418,532,522	
2008-09	1,244,248,352	126,789,950	14,987,150	9,976,970	43,558,835	1,439,561,257	
2009-10	1,255,809,406	116,649,080	15,126,730	13,329,680	47,733,432	1,448,648,328	

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

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

COUNTY OF BRUNSWICK, VIRGINIA

Table 7

Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Year	Real Estate	Mobile Homes	Personal Property	Machinery and Tools	Merchant's Capital	Farm Machinery Livestock
	\$	\$	\$	\$	\$	\$
2000-01	0.50	0.50	3.40	3.40	1.20	0.95
2001-02	0.50	0.50	3.40	3.40	1.20	0.00
2002-03	0.50	0.50	3.40	3.40	1.20	0.00
2003-04	0.50	0.50	3.40	3.40	1.20	0.00
2004-05	0.60	0.60	3.40	3.40	1.20	0.00
2005-06	0.60	0.60	3.40	3.40	1.20	0.00
2006-07	0.39	0.39	3.40	3.40	1.20	0.00
2007-08	0.39	0.39	3.40	3.40	1.20	0.00
2008-09	0.39	0.39	3.40	3.40	1.20	0.00
2009-10	0.39	0.39	3.40	3.40	1.20	0.00

(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:		Net Bonded Debt	Ratio of	
				Debt Service Monies Available	Net Bonded Debt		Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2000-01	18,419	742,771	\$ 1,689,091	-	\$ -	1,689,091	0.23%	92
2001-02	18,300	769,260	1,487,587	-	-	1,487,587	0.19%	81
2002-03	18,600	793,672	1,334,544	-	-	1,334,544	0.17%	72
2003-04	18,300	802,473	6,473,134	-	-	6,473,134	0.81%	354
2004-05	18,300	813,405	8,254,006	-	-	8,254,006	1.01%	451
2005-06	18,222	834,196	8,001,732	-	-	8,001,732	0.96%	439
2006-07	18,636	1,386,879	13,507,982	179,073	179,073	13,328,909	0.96%	715
2007-08	18,516	1,418,533	12,758,265	484,848	484,848	12,273,417	0.87%	663
2008-09	18,263	1,439,561	11,973,928	634,448	634,448	11,339,480	0.79%	621
2009-10	18,505	1,448,648	11,166,053	787,877	787,877	10,378,176	0.72%	561

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

(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 leases, and compensated absences.

Compliance

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ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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 the 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, 2010, which collectively comprise the County of Brunswick, Virginia's basic financial statements and have issued our report thereon dated January 13, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Brunswick, Virginia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Brunswick, Virginia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. 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*.

Compliance and Other Matters: (Continued)

We noted certain matters that we reported to management of the County of Brunswick, Virginia, in a separate letter dated January 13, 2011.

This report is intended solely for the information and use of the Board of Supervisors, management, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Robinson, Farmer, Co. Associates

Charlottesville, Virginia
January 13, 2011

**Report on Compliance with Requirements That Could Have a Direct and
Material Effect on Each Major Program and on Internal Control Over
Compliance in Accordance with OMB Circular A-133
Independent Auditor's Report**

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

Compliance

We have audited the compliance of County of Brunswick, Virginia, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. The County of Brunswick, Virginia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of County of Brunswick, Virginia's management. Our responsibility is to express an opinion on County of Brunswick, Virginia's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about County of Brunswick, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of County of Brunswick, Virginia's compliance with those requirements.

In our opinion, County of Brunswick, Virginia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of County of Brunswick, Virginia, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered County of Brunswick, Virginia's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of County of Brunswick, Virginia's internal control over compliance.

Internal Control Over Compliance: (Continued)

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 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Supervisors, management, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Robinson, Fermer, & Associates

Charlottesville, Virginia
January 13, 2011

COUNTY OF BRUNSWICK, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass Through Payments:			
The Improvement Association:			
Headstart Program	93.600	Unknown	\$ 96,808
Department of Social Services:			
Promoting Safe and Stable Families	93.556	0950109/0950110	15,908
Temporary Assistance for Needy Families (TANF)	93.558	0400109/0400100	233,945
Refugee and Entrant Assistance - State Administered Programs	93.566	0500109/0500110	554
Low-Income Home Energy Assistance	93.568	0600409/0600410	15,987
Child Care and Development Block Grant (CCDF Cluster)	93.575	0770109/0770110	53,265
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF Cluster)	93.596	0760109/0760110	72,961
Chafee Education and Training Vouchers Program (ETV)	93.599	9160108/9160109	2,199
Child Welfare Services - State Grants	93.645	0900109/0900110	644
Foster Care - Title IV-E	93.658	1100109/ 1100110	81,554
ARRA - Foster Care - Title IV-E	93.658	1100109/ 1100110	3,602
Adoption Assistance	93.659	1120109/1120110	9,167
ARRA - Adoption Assistance	93.659	1120109/1120110	495
Social Services Block Grant	93.667	1000109/1000110	119,729
Chafee Foster Care Independence Program	93.674	9150108/9150109/ 9150110	2,987
ARRA - Child Care and Development Block Grant (CCDF Cluster)	93.713	0740109	35,124
Children's Health Insurance Program	93.767	0540109/0540110	12,076
Medical Assistance Program	93.778	1200109/1200110	<u>149,793</u>
Total Department of Health and Human Services			\$ <u>906,798</u>
Department of Agriculture:			
Direct Payments:			
Community facilities loans and grants	10.766	N/A	<u>16,530</u>
Pass Through Payments:			
Department of Agriculture:			
Food Distribution (Child Nutrition Cluster)	10.555	406230	\$ 57,860
Food Distribution--Summer feeding program (Child Nutrition Cluster)	10.559	Unknown	503
Department of Education:			
School breakfast program (Child Nutrition Cluster)	10.553	405910	213,608
National school lunch program (Child Nutrition Cluster)	10.555	406230	580,249
Summer food service program for children (Child Nutrition Cluster)	10.559	Unknown	41,455
Fresh fruit and vegetable program	10.582	405990	36,131
Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	0010109/0010110/ 0040109/0040110	258,379
ARRA - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	0010109/0010110/ 0040109/0040110	<u>12,435</u>
Total Department of Agriculture - pass-through payments			\$ <u>1,200,620</u>
Total Department of Agriculture			\$ <u>1,217,150</u>

COUNTY OF BRUNSWICK, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)
 For the Year Ended June 30, 2010

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Defense: Direct Payments: ROTC	12.000	N/A	\$ <u>58,186</u>
Department of Housing and Urban Development: Pass Through Payments: Department of Housing and Community Development: Community Development Block Grants/State's Program and Non- Entitlement Grants in Hawaii	14.228	B-04-DC-51-0001 and two others unknown	\$ <u>192,835</u>
Department of Justice: Pass Through Payments: Department of Criminal Justice Services: Edward Byrne Memorial Formula Grant Program	16.579	07-A5397GS05	\$ <u>1,796</u>
Virginia Compensation Board: ARRA - Edward Byrne Memorial Justice Assistance Grant Program - Grants to States and Territories	16.803	09-D4794AD07	<u>72,371</u>
Total Department of Justice			\$ <u>74,167</u>
Department of Homeland Security: Pass Through Payments: Department of Emergency Services: State Homeland Security Program (SHSP)	97.073	10-A6152HS08	\$ <u>384,280</u>
Total Department of Homeland Security			\$ <u>384,280</u>
Department of Transportation: Pass Through Payments: Department of Motor Vehicles: Alcohol Open Container Requirements	20.607	154AL-2010-50235-3855	\$ <u>10,362</u>
Total Department of Transportation			\$ <u>10,362</u>
Department of Education: Pass Through Payments: Department of Education: Title I - Grants to Local Educational Agencies (Title I, Part A Cluster)	84.010	429010	\$ <u>806,530</u>
Special Education - Grants to States (Special Education Cluster (IDEA))	84.027	430710	<u>541,827</u>
Career and Technical Education - Basic Grants to States	84.048	610950	<u>52,055</u>
Special Education - Preschool Grants (Special Education Cluster (IDEA))	84.173	625210	<u>12,036</u>
Safe and Drug-Free Schools and Communities - State Grants	84.186	605110	<u>9,039</u>
Twenty-First Century Community Learning Centers	84.287	605650	<u>282,210</u>
Title V, Part A: Innovative Education	84.298	490050	<u>15</u>
Education Technology State Grants (Educational Technology State Grants Cluster)	84.318	616000	<u>5,200</u>
Reading First State Grants	84.357	606550	<u>80,416</u>
Rural Education	84.358	434810	<u>44,312</u>
Improving Teacher Quality State Grants	84.367	614800	<u>192,886</u>
ARRA - Education Technology State Grants (Educational Technology State Grants Cluster)	84.386	608970	<u>15,420</u>
ARRA - Title I - Grants to Local Educational Agencies (Title I, Part A Cluster)	84.389	429130	<u>368,316</u>
ARRA - Special Education - Grants to States (Special Education Cluster (IDEA))	84.391	612450	<u>56,181</u>
ARRA - State Fiscal Stabilization Funds - Education State Grants	84.394	625320	<u>1,364,664</u>
Total Department of Education			\$ <u>3,831,107</u>
Federal Energy Regulation Commission: Pass Through Payments: Department of Education: Miscellaneous Revenue	84.000	Unknown	\$ <u>13,539</u>
Total Expenditures of Federal Awards			\$ <u>6,688,424</u>

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, 2010

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County of Brunswick, Virginia under programs of the federal government for the year ended June 30, 2010. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the County of Brunswick, Virginia, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the 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 OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, 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 - Other Information

The County received a regional grant under 97.073, for which it was named the fiscal agent. The grant is fully funding each participating agency's connection to the LINX system. Funds are expended by the County of Brunswick, Virginia for items requested by each agency. Equipment is shipped directly to the requesting agency and, for financial statement purposes, is treated as a donation from the County.

Note 5 - 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	\$ 177,456
Special Revenue Funds:	
Virginia Public Assistance Fund	1,039,030
CSA Fund	14,363
Capital Projects Funds:	
County Capital Improvements Fund	504,478
Total primary government	\$ <u>1,735,327</u>

Component Unit Public Schools:

School Operating Fund	\$ 3,999,642
School Cafeteria Fund	929,804
Total component unit public schools	\$ <u>4,929,446</u>

Total federal expenditures per basic financial statements

\$ 6,664,773

Reconciling Items:

Payments from U.S. Immigration & Customs Enforcement	\$ (23,436)
State Homeland Security Grant - not received within period of availability	47,087
Total reconciling items	\$ <u>23,651</u>

Total federal expenditures per the Schedule of Expenditures of Federal Awards

\$ 6,688,424

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COUNTY OF BRUNSWICK, VIRGINIA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:
Material weakness(es) identified? No

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 auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? No

Identification of major programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555/10.559	Child Nutrition Cluster
84.010/84.389	Title I, Part A Cluster
84.027/84.173/84.391	Special Education Cluster
84.394	ARRA - State Fiscal Stabilization Funds - Education State Grants
97.073	State Homeland Security Program

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? No

SECTION II - FINANCIAL STATEMENT FINDINGS

There are no financial statement findings to report.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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

COUNTY OF BRUNSWICK, VIRGINIA

Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2010

Finding - 2009-03

CFDA Title: Title I - Grants to Local Education Agencies
CFDA Number - 84.010
Federal Award Number: S010A080046
Federal Award Year: 2008

Criteria:

Title I, Part A funds are to be used to provide services and benefits to eligible children residing or enrolled in eligible school attendance areas. Once funds are allocated to eligible school attendance areas, a school operating a targeted assistance program must use Title I funds only for programs that are designed to meet the needs of children identified by the school as failing, or most at risk of failing, to meet the State's challenging student academic achievement standards. In general, eligible children are identified on the basis of multiple, educationally related, objective criteria established by the LEA and supplemented by the school. From the pool of eligible children, a targeted assistance school selects those children who have the greatest need for special assistance to receive Part A services. (Title I, Section 1115 of ESEA (20 USC 6315).

Condition:

Three schools are eligible for providing Title I services. In all three schools, there is a lack of documentation in student files supporting Title I participation. Eligibility determination assessments as well as approval of students for program participation are not maintained in student files.

Cause:

Lack of knowledge of program personnel that assessment and approval documentation should be retained and filed in individual student files.

Effect:

Due to the lack of assessment documentation and approval documents in the student files, it is unclear as to the criteria used to determine eligibility and the individuals services were provided to.

Recommendations:

Eligibility evaluations should be formally documented and filed in student files. Approval letters sent home and signed by parents should also be filed in student files to provide documentation of their participation in the Title I program.

Management's Response:

All building administrators and the Grants Coordinator have discussed the proper procedures that have been implemented as of December 10, 2009 to accommodate making sure all student files have all appropriate documentation for a period of at least 3 years. A formal letter was sent to all of the building administrators and their respective staff to confirm the expectations and appropriate procedures to follow going forward.

Status:

Corrective action was taken as described above.