

COUNTY OF
BRUNSWICK, VIRGINIA



FINANCIAL REPORT
YEAR ENDED JUNE 30, 2012

County of Brunswick, Virginia

Financial Report

Year Ended June 30, 2012

COUNTY OF BRUNSWICK, VIRGINIA

Financial Report
Year Ended June 30, 2012

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Bernard L. Jones, Sr.

John Cataldo

Barbara J. Drummond

Denise C. Williams

COUNTY SOCIAL SERVICES BOARD

Michelle Talbert, Chairman

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Fraunces Hardy

Tracie Seward

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Saundra Shye

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Timothy Puryear

Floyd A. Moore, Jr.

JoAnn Anderson

OTHER OFFICIALS

Judge of the Circuit Court
Chief Judge for 6th Judicial Circuit Court
Clerk of the Circuit Court
Commonwealth's Attorney
Commissioner of the Revenue
Treasurer
Sheriff
Superintendent of Schools
Director of Social Services
County Administrator
Chief Judge of the General District Court
Chief Judge of the Juvenile and Domestic Relations Court
Clerk of the School Board

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W. Allen Sharrett
V. Earl Stanley, Jr.
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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, 2012, 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, 2012, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2012, 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.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Brunswick, Virginia's financial statements as a whole. The combining and individual fund statements, supporting schedules, and statistical information are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The combining and individual fund statements, supporting schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Robinson, Farmer, Co. Associates
Charlottesville, Virginia
December 26, 2012

**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, 2012.

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 \$16,455,178 (net assets), a decrease of \$2,180,959 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 \$432,170 (Exhibit 5) after making contributions totaling \$5,548,845 to the School Board.

- As of the close of the current fiscal year, the County's governmental funds reported ending fund balances of \$15,058,243, a decrease of \$432,170 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$7,833,797 or 52% of total general fund expenditures.
- Combined long-term obligations for the governmental funds increased \$658,960 during the current fiscal year. Principal repayments were offset by a VPSA Bond of \$1,530,000 that was issued for school renovations.

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 \$16,455,178 at the close of the most recent fiscal year.

Summary Statement of Net Assets

| | Governmental Activities | |
|--|--------------------------------|----------------------|
| | 2012 | 2011 |
| Current and other assets | \$ 16,591,100 | \$ 16,812,092 |
| Capital assets | <u>14,040,705</u> | <u>15,116,637</u> |
| Total assets | <u>\$ 30,631,805</u> | <u>\$ 31,928,729</u> |
| Long-term liabilities | \$ 12,863,330 | \$ 12,204,370 |
| Current liabilities | <u>1,313,297</u> | <u>1,088,222</u> |
| Total liabilities | <u>\$ 14,176,627</u> | <u>\$ 13,292,592</u> |
| Net assets: | | |
| Invested in capital assets, net of related debt | \$ 5,016,320 | \$ 5,137,006 |
| Restricted | 610,220 | 665,042 |
| Unrestricted | <u>10,828,638</u> | <u>12,834,089</u> |
| Total net assets | <u>\$ 16,455,178</u> | <u>\$ 18,636,137</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 \$5,016,320. 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 decreased the County's net assets by \$2,180,959.

Summary Statement of Change in Net Assets

| | Governmental Activities | |
|--|--------------------------------|----------------------|
| | 2012 | 2011 |
| Revenues: | | |
| Program revenues: | | |
| Charges for services | \$ 1,503,878 | \$ 1,635,484 |
| Operating grants and contributions | 4,718,374 | 4,778,782 |
| Capital grants and contributions | 494,966 | 919,646 |
| General revenues: | | |
| General property taxes | 8,010,380 | 8,046,938 |
| Other local taxes | 1,467,078 | 1,412,931 |
| Grants and other contributions not restricted | 1,755,401 | 1,744,141 |
| Use of money and property | 292,678 | 312,468 |
| Miscellaneous | 281,809 | 50,387 |
| Total revenues | <u>\$ 18,524,564</u> | <u>\$ 18,900,777</u> |
| Expenses: | | |
| General government administration | \$ 1,667,583 | \$ 1,515,442 |
| Judicial administration | 908,493 | 894,951 |
| Public safety | 6,640,400 | 5,981,996 |
| Public works | 1,309,329 | 1,280,851 |
| Health and welfare | 2,532,222 | 2,643,064 |
| Education | 6,023,084 | 5,569,047 |
| Parks, recreation, and cultural | 300,369 | 250,217 |
| Community development | 838,812 | 1,147,135 |
| Interest on long-term debt | 485,231 | 532,083 |
| Total expenses | <u>\$ 20,705,523</u> | <u>\$ 19,814,786</u> |
| Increase (Decrease) in net assets | \$ (2,180,959) | \$ (914,009) |
| Net assets, July 1 | 18,636,137 | 19,550,146 |
| Net assets, June 30 | <u>\$ 16,455,178</u> | <u>\$ 18,636,137</u> |

Government-wide Financial Analysis: (Continued)

Key elements of this decrease are as follows:

Total revenues decreased by \$376,213 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 impacted the \$131,606 decrease in charges for services. Capital grants and contributions decreased by \$424,680, which had increased last year due to the award of a regional Homeland Security LINX Grant. Miscellaneous revenues increased by \$231,422 due to surplus funds/tax sales.

Total expenses increased by \$890,737 over the prior year. The function with the most significant increase (\$658,404) was public safety. The increase can be attributed to increased overtime related to selective enforcement, increased health costs for inmates, increased fuel prices and donation to other jurisdictions for their share of the LINX project. Education also reflected a large increase (\$454,037) due to the purchase of textbooks and lower than expected ADM numbers. These increases were largely offset by a decrease in community development expenses (\$308,323).

Financial Analysis of the County's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported fund balances of \$15,058,243, a decrease of \$432,170 in comparison with the prior year. Approximately 52% of this total amount constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance is segregated to indicate that it is not available for new spending because it has already been committed or assigned.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget of the general fund was an increase of \$1,907,662 in expenditures and can be briefly summarized as follows:

- \$798,548 in increases for public safety
- \$826,075 in increases for education
- \$283,039 in other increases

General Fund Budgetary Highlights: (Continued)

Of this increase, \$350,000 was to be funded from fines and forfeitures. The remaining \$1,557,662 was to be budgeted from available fund balance and other revenue increases. During the year, however, expenditures were less than budgetary estimates by \$117,986, 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, 2012 amounted to \$14,040,705 (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 decreased by \$431,313 during the current fiscal year, while accumulated depreciation increased by \$644,619, resulting in a net decrease of \$1,075,932. Projects in progress at year end include the school renovation project.

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 \$12,863,330 for its governmental operations. Of this amount \$9,414,701 comprises debt backed by the full faith and credit of the County. The remainder of the County's debt for governmental operations (\$3,448,629) represents bonds secured solely by specified revenue sources (i.e., revenue bonds and QZABs).

The County's total debt outstanding decreased by \$658,960 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 9.8 percent, which is a slight decrease from a rate of 10.6 percent a year ago. This is one of the higher unemployment rates in the state, for which the average unemployment rate is at 5.4 percent and it is slightly higher than the national average rate of 7.8 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 2013 fiscal year.

The County's fiscal year 2013 budget amounted to \$18,633,755 (net of interfund transfers and transfers to the Component Unit School Board and does not include expenditures of the Component Unit School Board).

Requests for Information

This financial report is designed to provide a general overview of the County of Brunswick, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, 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, 2012

| | Primary Government | | Component Units | |
|--|-------------------------|--------------|-----------------|--|
| | Governmental Activities | School Board | IDA | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 13,307,020 | \$ 1,121,795 | \$ 2,627,022 | |
| Receivables (net of allowance for uncollectibles): | | | | |
| Taxes receivable | 364,533 | - | - | |
| Accounts receivable | 258,282 | 21,649 | 69,597 | |
| Due from component units | 500,000 | - | - | |
| Due from other governmental units | 1,016,785 | 1,220,665 | 287,053 | |
| Inventories | 2,231 | - | - | |
| Prepaid expenses | - | - | 8,690 | |
| Restricted assets: | | | | |
| Temporarily restricted: | | | | |
| Cash and cash equivalents | - | - | 225,178 | |
| Investments (in custody of others) | 1,106,527 | - | - | |
| Other assets: | | | | |
| Unamortized bond issue costs | 35,722 | - | - | |
| Land and improvements held for sale | - | - | 3,286,499 | |
| Investment in industrial assets | - | - | 2,857,523 | |
| Leases receivable | - | - | 767,339 | |
| Notes receivable | - | - | 2,506 | |
| Escrow accounts | - | - | 16,170 | |
| Capital assets (net of accumulated depreciation): | | | | |
| Land | 717,374 | 25,822 | 92,242 | |
| Buildings and improvements | 11,813,976 | 5,616,302 | 662,361 | |
| Machinery, equipment, and vehicles | 1,089,244 | 1,256,766 | 6,492 | |
| Intangibles | 199,282 | - | - | |
| Construction in progress | 220,829 | - | - | |
| Total assets | \$ 30,631,805 | \$ 9,262,999 | \$ 10,908,672 | |
| LIABILITIES | | | | |
| Accounts payable | \$ 545,117 | \$ 219,944 | \$ 87,223 | |
| Accrued liabilities | (765) | 1,930,791 | 455 | |
| Contracts payable | 228,358 | - | - | |
| Retainage payable | 3,187 | - | - | |
| Accrued interest payable | 537,400 | - | - | |
| Due to primary government | - | - | 500,000 | |
| Unearned revenue | - | - | 92,931 | |
| Long-term liabilities: | | | | |
| Due within one year | 915,657 | 55,402 | 219,762 | |
| Due in more than one year | 11,947,673 | 692,000 | 1,279,351 | |
| Total liabilities | \$ 14,176,627 | \$ 2,898,137 | \$ 2,179,722 | |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | \$ 5,016,320 | \$ 6,898,890 | \$ 311,263 | |
| Restricted for: | | | | |
| Anti-litter | 253 | - | - | |
| Law library | 21,271 | - | - | |
| Drug enforcement | 183,964 | - | - | |
| Courthouse maintenance | 157,255 | - | - | |
| Courthouse security | 226,833 | - | - | |
| CSA administration | 20,644 | - | - | |
| Unrestricted (deficit) | 10,828,638 | (534,028) | 8,417,687 | |
| Total net assets | \$ 16,455,178 | \$ 6,364,862 | \$ 8,728,950 | |

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, 2012

| Functions/Programs | Expenses | Program Revenues | | |
|-----------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| PRIMARY GOVERNMENT: | | | | |
| Governmental activities: | | | | |
| General government administration | \$ 1,667,583 | \$ 89,169 | \$ 223,626 | \$ - |
| Judicial administration | 908,493 | 973,316 | 510,581 | - |
| Public safety | 6,640,400 | 81,632 | 1,993,439 | - |
| Public works | 1,309,329 | 332,924 | 6,583 | - |
| Health and welfare | 2,532,222 | - | 1,977,558 | - |
| Education | 6,023,084 | - | - | 29,984 |
| Parks, recreation, and cultural | 300,369 | 24,086 | 5,000 | 27,299 |
| Community development | 838,812 | 2,751 | 1,587 | 437,683 |
| Interest on long-term debt | 485,231 | - | - | - |
| Total governmental activities | <u>\$ 20,705,523</u> | <u>\$ 1,503,878</u> | <u>\$ 4,718,374</u> | <u>\$ 494,966</u> |
| COMPONENT UNITS: | | | | |
| School Board | \$ 23,804,503 | \$ 232,161 | \$ 16,240,742 | \$ 610,242 |
| Industrial Development Authority | 481,817 | 315,362 | 806,144 | - |
| Total component units | <u>\$ 24,286,320</u> | <u>\$ 547,523</u> | <u>\$ 17,046,886</u> | <u>\$ 610,242</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
 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 | |
| \$ (1,354,788) | | | |
| 575,404 | | | |
| (4,565,329) | | | |
| (969,822) | | | |
| (554,664) | | | |
| (5,993,100) | | | |
| (243,984) | | | |
| (396,791) | | | |
| (485,231) | | | |
| <u>\$ (13,988,305)</u> | | | |
| | \$ (6,721,358) | \$ - | |
| | - | 639,689 | |
| | <u>\$ (6,721,358)</u> | <u>\$ 639,689</u> | |
| \$ 8,010,380 | \$ - | \$ - | |
| 668,495 | - | - | |
| 256,355 | - | - | |
| 335,031 | - | - | |
| 207,197 | - | - | |
| - | 6,129,248 | 78,872 | |
| 292,678 | 1,927 | 66,865 | |
| 281,809 | 493,118 | - | |
| 1,755,401 | - | - | |
| <u>\$ 11,807,346</u> | <u>\$ 6,624,293</u> | <u>\$ 145,737</u> | |
| (2,180,959) | (97,065) | 785,426 | |
| 18,636,137 | 6,461,927 | 7,943,524 | |
| <u>\$ 16,455,178</u> | <u>\$ 6,364,862</u> | <u>\$ 8,728,950</u> | |

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Fund Financial Statements

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Balance Sheet
 Governmental Funds
 June 30, 2012

| | General | Virginia Public Assistance | Debt Service | County Capital Improvements | DF School Capital Projects | Other Governmental Funds | Total |
|---|----------------------|----------------------------------|---------------------|-----------------------------------|----------------------------------|--------------------------------|----------------------|
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 9,027,235 | \$ - | \$ 1,341,766 | \$ 1,421,900 | \$ 1,516,119 | \$ - | \$ 13,307,020 |
| Receivables (net of allowance for uncollectibles): | | | | | | | |
| Taxes receivable | 364,533 | - | - | - | - | - | 364,533 |
| Accounts receivable | 242,912 | - | - | - | - | 15,370 | 258,282 |
| Due from other funds | 145,346 | - | - | - | - | - | 145,346 |
| Due from component unit | 500,000 | - | - | - | - | - | 500,000 |
| Due from other governmental units | 528,265 | 135,958 | - | 298,181 | - | 54,381 | 1,016,785 |
| Inventories | - | - | - | - | - | 2,231 | 2,231 |
| Restricted assets: | | | | | | | |
| Temporarily restricted: | | | | | | | |
| Investments | - | - | 1,106,527 | - | - | - | 1,106,527 |
| Total assets | <u>\$ 10,808,291</u> | <u>\$ 135,958</u> | <u>\$ 2,448,293</u> | <u>\$ 1,720,081</u> | <u>\$ 1,516,119</u> | <u>\$ 71,982</u> | <u>\$ 16,700,724</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | \$ 431,528 | \$ 12,205 | \$ - | \$ 73,870 | \$ - | \$ 27,514 | \$ 545,117 |
| Accrued liabilities | (765) | - | - | - | - | - | (765) |
| Contracts payable | - | - | - | 17,813 | 210,545 | - | 228,358 |
| Retainage payable | - | - | - | 3,187 | - | - | 3,187 |
| Accrued interest payable | - | - | 389,205 | - | - | - | 389,205 |
| Due to other funds | - | 123,753 | - | - | - | 21,593 | 145,346 |
| Deferred revenue | 332,033 | - | - | - | - | - | 332,033 |
| Total liabilities | <u>\$ 762,796</u> | <u>\$ 135,958</u> | <u>\$ 389,205</u> | <u>\$ 94,870</u> | <u>\$ 210,545</u> | <u>\$ 49,107</u> | <u>\$ 1,642,481</u> |
| Fund balances: | | | | | | | |
| Nonspendable: | | | | | | | |
| Inventories | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,231 | \$ 2,231 |
| Long-term loans and advances | 500,000 | - | - | - | - | - | 500,000 |
| Restricted: | | | | | | | |
| Anti-litter | 253 | - | - | - | - | - | 253 |
| Law library | 21,271 | - | - | - | - | - | 21,271 |
| Drug enforcement | 183,964 | - | - | - | - | - | 183,964 |
| Courthouse maintenance | 157,255 | - | - | - | - | - | 157,255 |
| Courthouse security | 226,833 | - | - | - | - | - | 226,833 |
| Debt service funds - QZABs | - | - | 717,322 | - | - | - | 717,322 |
| CSA administration | - | - | - | - | - | 20,644 | 20,644 |
| Committed: | | | | | | | |
| MRRJ - Mecklenburg site | 1,100,000 | - | - | - | - | - | 1,100,000 |
| Simmons Drive - CDBG grant | - | - | - | 328,672 | - | - | 328,672 |
| Debt service funds | - | - | 1,341,766 | - | - | - | 1,341,766 |
| School renovations | - | - | - | - | 1,305,574 | - | 1,305,574 |
| Assigned: | | | | | | | |
| DMV Select | 11,692 | - | - | - | - | - | 11,692 |
| Water safety | 10,430 | - | - | - | - | - | 10,430 |
| Other capital projects | - | - | - | 1,296,539 | - | - | 1,296,539 |
| Unassigned: | | | | | | | |
| General fund | 7,833,797 | - | - | - | - | - | 7,833,797 |
| Total fund balances | <u>\$ 10,045,495</u> | <u>\$ -</u> | <u>\$ 2,059,088</u> | <u>\$ 1,625,211</u> | <u>\$ 1,305,574</u> | <u>\$ 22,875</u> | <u>\$ 15,058,243</u> |
| Total liabilities and fund balances | <u>\$ 10,808,291</u> | <u>\$ 135,958</u> | <u>\$ 2,448,293</u> | <u>\$ 1,720,081</u> | <u>\$ 1,516,119</u> | <u>\$ 71,982</u> | <u>\$ 16,700,724</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, 2012

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds \$ 15,058,243

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

| | | |
|----------------------------|----------------|------------|
| Land | \$ 717,374 | |
| Buildings and improvements | 11,813,976 | |
| Machinery and equipment | 1,089,244 | |
| Intangibles | 199,282 | |
| Construction in progress | <u>220,829</u> | 14,040,705 |

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 332,033

Issuance costs are recorded as other assets and amortized over the life of the debt, and, therefore, are not reported in the funds. 35,722

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

| | | |
|--|------------------|---------------------|
| Lease revenue bonds | \$ (1,635,400) | |
| Less: Deferred charge on refunding | 88,039 | |
| General obligation bonds | (7,556,281) | |
| Plus: Premium on issuance | (126,194) | |
| Qualified zone academy bonds | (1,813,229) | |
| Capital lease | (11,317) | |
| Landfill closure/postclosure liability | (581,781) | |
| Retirement incentive costs | (371,100) | |
| Brodnax sewer capacity agreement | (200,928) | |
| Compensated absences | (543,274) | |
| Other post employment benefits | (111,865) | |
| Accrued interest payable | <u>(148,195)</u> | <u>(13,011,525)</u> |

Net assets of governmental activities \$ 16,455,178

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, 2012

| REVENUES | General | Virginia Public Assistance | Debt Service | County Capital Improve- ments | DF School Capital Projects | Other Govern- mental Funds | Total |
|--|-----------------------|---|-------------------------|--|---|---|-----------------------|
| General property taxes | \$ 8,025,149 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 8,025,149 |
| Other local taxes | 1,467,078 | - | - | - | - | - | 1,467,078 |
| Permits, privilege fees, and regulatory licenses | 114,407 | - | - | - | - | - | 114,407 |
| Fines and forfeitures | 771,660 | - | - | - | - | - | 771,660 |
| Revenue from the use of money and property | 208,081 | - | 52,081 | 27,300 | 2,516 | 2,700 | 292,678 |
| Charges for services | 610,714 | - | - | - | - | 7,097 | 617,811 |
| Miscellaneous | 261,649 | 3,628 | - | - | - | 16,532 | 281,809 |
| Recovered costs | 236,450 | - | - | - | - | 15,231 | 251,681 |
| Intergovernmental revenues: | | | | | | | |
| Commonwealth | 4,259,596 | 609,846 | - | 169,493 | - | 345,327 | 5,384,262 |
| Federal | 118,963 | 967,567 | 29,984 | 457,057 | - | 10,908 | 1,584,479 |
| Total revenues | <u>\$ 16,073,747</u> | <u>\$ 1,581,041</u> | <u>\$ 82,065</u> | <u>\$ 653,850</u> | <u>\$ 2,516</u> | <u>\$ 397,795</u> | <u>\$ 18,791,014</u> |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General government administration | \$ 1,477,604 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,477,604 |
| Judicial administration | 911,170 | - | - | - | - | - | 911,170 |
| Public safety | 5,588,300 | - | - | - | - | - | 5,588,300 |
| Public works | 1,352,001 | - | - | - | - | 52,442 | 1,404,443 |
| Health and welfare | 144,014 | 1,868,498 | - | - | - | 490,623 | 2,503,135 |
| Education | 5,457,628 | - | - | 133,368 | - | - | 5,590,996 |
| Parks, recreation, and cultural | 240,993 | - | - | - | - | - | 240,993 |
| Community development | 361,338 | - | - | - | - | - | 361,338 |
| Capital projects | 7,500 | - | - | 1,070,964 | 223,019 | - | 1,301,483 |
| Debt service: | | | | | | | |
| Principal retirement | 304,712 | - | 591,878 | - | - | - | 896,590 |
| Interest and other fiscal charges | 68,624 | - | 404,585 | - | - | - | 473,209 |
| Issuance costs | - | - | - | - | 3,923 | - | 3,923 |
| Total expenditures | <u>\$ 15,913,884</u> | <u>\$ 1,868,498</u> | <u>\$ 996,463</u> | <u>\$ 1,204,332</u> | <u>\$ 226,942</u> | <u>\$ 543,065</u> | <u>\$ 20,753,184</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ 159,863</u> | <u>\$ (287,457)</u> | <u>\$ (914,398)</u> | <u>\$ (550,482)</u> | <u>\$ (224,426)</u> | <u>\$ (145,270)</u> | <u>\$ (1,962,170)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers in | \$ 25,000 | \$ 287,457 | \$ 822,400 | \$ 9,301 | \$ - | \$ 145,798 | \$ 1,289,956 |
| Transfers out | (1,264,956) | - | - | (25,000) | - | - | (1,289,956) |
| Issuance of general obligation bonds | - | - | - | - | 1,530,000 | - | 1,530,000 |
| Total other financing sources (uses) | <u>\$ (1,239,956)</u> | <u>\$ 287,457</u> | <u>\$ 822,400</u> | <u>\$ (15,699)</u> | <u>\$ 1,530,000</u> | <u>\$ 145,798</u> | <u>\$ 1,530,000</u> |
| Net change in fund balances | \$ (1,080,093) | \$ - | \$ (91,998) | \$ (566,181) | \$ 1,305,574 | \$ 528 | \$ (432,170) |
| Fund balances - beginning | 11,125,588 | - | 2,151,086 | 2,191,392 | - | 22,347 | 15,490,413 |
| Fund balances - ending | <u>\$ 10,045,495</u> | <u>\$ -</u> | <u>\$ 2,059,088</u> | <u>\$ 1,625,211</u> | <u>\$ 1,305,574</u> | <u>\$ 22,875</u> | <u>\$ 15,058,243</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, 2012

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

Net change in fund balances - total governmental funds \$ (432,170)

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 | \$ | 339,682 | |
| Depreciation | | (621,311) | |
| Adjustment for jointly owned assets | | (63,444) | |
| Depreciation adjustment for jointly owned assets | | <u>(145,625)</u> | (490,698) |

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

| | | | |
|---------------------------------------|----|----------------|-----------|
| Capital asset donation to others | \$ | (580,016) | |
| Capital asset disposals | | (127,535) | |
| Depreciation adjustment for disposals | | <u>122,317</u> | (585,234) |

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. (14,769)

The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term 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 obligations and related items.

| | | | |
|---|----|-----------------|-----------|
| Amortization of loss on refunding | \$ | (26,812) | |
| Amortization of premium on issuance | | 17,841 | |
| Amortization of issuance costs | | (7,567) | |
| Issuance of bonds | | (1,530,000) | |
| Payment of principal | | 896,590 | |
| Increase in landfill closure/postclosure care liability | | <u>(13,636)</u> | (663,584) |

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 | \$ | 35,071 | |
| Other post employment benefits | | (38,014) | |
| Accrued interest on debt | | <u>8,439</u> | <u>5,496</u> |

Change in net assets of governmental activities \$ (2,180,959)

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

Statement of Fiduciary Net Assets
 Fiduciary Funds
 June 30, 2012

| | <u>Agency Funds</u> |
|--|-------------------------|
| ASSETS | |
| <hr/> | |
| Cash and cash equivalents | \$ 30,987 |
| Total assets | \$ <u>30,987</u> |
| LIABILITIES | |
| <hr/> | |
| Amounts held for social services clients | \$ 4,656 |
| Amounts held for others | 3,576 |
| Escrow deposits payable | <u>22,755</u> |
| Total liabilities | \$ <u>30,987</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, 2012

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, 2012 (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. Budgetary comparison information is included in the annual report, including the government's original budget and a 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, 2012.

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, 2012.

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.

C. Other Related Organizations

Included in the County's Financial Report: None

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

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

C. Other Related Organizations: (Continued)

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 \$180,592 in operating funds to the Library in 2012.

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 \$43,488 as operating grants to the Southside Community Services Board for the fiscal year ended June 30, 2012.

Meherrin River Regional Jail Authority

The Authority, created by resolution pursuant to state statute, is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. The Counties of Brunswick, Dinwiddie, and Mecklenburg participate in the Authority. The County Administrator and Sheriff of each participating locality serve on the Authority; however, the Authority is fiscally independent and there is no financial benefit or burden relationship with the participating localities. Therefore, it is not included in the County's financial statements. The Authority was completing the construction phase of the main facility at June 30, 2012. The Jail opened in July 2012 at which time the participating localities began sending inmates to the facility. The regional jail will bill each participating locality a per diem rate based upon the number of inmates housed at the facility.

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.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

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

C. 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 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 and report all financial resources except those required to be accounted for and reported in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for services, and interest income. A significant part of the General Fund's revenues are used principally to finance the operations of the Component Unit School Board. The General Fund is considered a major fund for reporting purposes.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

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

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

1. Governmental Funds: (Continued)

b. Special Revenue Funds

The Special Revenue Funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The special revenue funds consist of the Virginia Public Assistance Fund, the Airport Commission Fund, and the Comprehensive Services Act Fund. Only the Virginia Public Assistance Fund is considered a major fund at June 30, 2012.

c. Capital Projects Fund

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

d. Debt Service Fund

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

2. Fiduciary Funds (Trust and Agency Funds)

Fiduciary Funds (Trust and Agency Funds) account for assets held by the County 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 consisting of the special welfare fund, sheriff funds, and the bond escrow fund. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. These funds utilize the accrual basis of accounting.

3. Component Unit:

The Brunswick County School Board has the following funds:

Governmental Funds:

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

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

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

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

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

3. Component Unit: (Continued)

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.

Capital Projects Fund: Capital projects funds account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments.

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

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.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

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

E. Budgets and Budgetary Accounting: (Continued)

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.
10. The School Board over expended its local funds by \$522,805. This amount is to be reimbursed to the County over three fiscal years beginning FY13-14.

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.

G. Investments

Investments are stated at fair value. Restricted investments include amounts set aside in a sinking fund to repay qualified zone academy bonds. Under the terms of the Forward Delivery Agreement, the County will invest the Sinking Fund Deposit in securities delivered by Bank of America via payment through a 3rd party custodian for a guaranteed fixed rate of return as outlined in the Funding Agreement. The Sinking Fund will be invested in legal investments for public sinking funds under the Virginia Investment of Public Funds Act. Related to the QZABs, annual deposits of \$56,896 and \$78,893 will be made into sinking funds earning interest at 3.2% and 2.0%, respectively resulting in \$1,077,000 and \$1,536,671, respectively at maturity to satisfy the outstanding obligations.

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 \$137,900 at June 30, 2012 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.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

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

I. Capital Assets: (Continued)

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

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

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> |
|-------------------------------|--------------|
| Building improvements | 20-40 |
| Buildings | 40 |
| Buses | 8 |
| Intangibles | 35-40 |
| Office and computer equipment | 5 |
| Police vehicles | 3 |
| Vehicles | 5 |

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 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.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

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

L. Fund Equity

Beginning with fiscal year 2011, the County implemented GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are only reported in the general fund.

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

The Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance/resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Supervisors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes) or other official to which the Board has delegated the authority to assign amounts including but limited to the County Administrator and the Director of Finance.

M. Inventories and Prepaid Items

All inventories are valued at the lower of cost (first-in, first-out) or market. Inventory in the Airport Fund consists of fuel held for sale.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

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

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

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

Investments

Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper 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, 2012 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, 2012 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, 2012 (Continued)

Note 2—Cash and Cash Equivalents: (Continued)

Credit Risk of Debt Securities: (Continued)

| Rated Debt Investments' Values | |
|--|-----------------------------|
| Rated Debt Investments | Fair Quality Ratings |
| | AAAm |
| Governmental Activities: | |
| Local government investment pool | \$ 3,549 |
| State Non-Arbitrage Pool | 1,516,119 |
| | <hr/> |
| Total | \$ 1,519,668 |
| | <hr/> <hr/> |
| | AAA |
| Component Unit Industrial Development Authority: | |
| Local government investment pool | \$ 363,521 |
| | <hr/> <hr/> |

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 State Non-Arbitrage Pool (SNAP) is an open-end management investment company registered with the Securities and Exchange Commission (SEC). 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 2011 were levied by the County Board of Supervisors on June 15, 2011, on the assessed value listed as of January 1, 2011.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 3—Property Taxes: (Continued)

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.

Note 4—Receivables:

Receivables at June 30, 2012 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>Capital Projects</u> | <u>Total</u> | | |
| Property taxes | \$ 502,433 | \$ - | \$ - | \$ 502,433 | \$ - | \$ - |
| Allowance for uncollectibles | (137,900) | - | - | (137,900) | - | - |
| Net taxes receivable | <u>\$ 364,533</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 364,533</u> | <u>\$ -</u> | <u>\$ -</u> |
| Accounts receivable: | | | | | | |
| Landfill host fees | \$ 45,094 | \$ - | \$ - | \$ 45,094 | \$ - | \$ - |
| Landfill inspection costs | 38,183 | - | - | 38,183 | - | - |
| Utility and consumption taxes | 24,311 | - | - | 24,311 | - | - |
| Court fines | 66,571 | - | - | 66,571 | - | - |
| Courthouse security fees | 11,061 | - | - | 11,061 | - | - |
| Airport recovery | - | 15,259 | - | 15,259 | - | - |
| Other | 57,692 | 111 | - | 57,803 | 21,649 | 69,597 |
| Total accounts receivable | <u>\$ 242,912</u> | <u>\$ 15,370</u> | <u>\$ -</u> | <u>\$ 258,282</u> | <u>\$ 21,649</u> | <u>\$ 69,597</u> |
| Leases receivable: | | | | | | |
| Social Services | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 339,017 |
| Ackerman | - | - | - | - | - | 428,322 |
| Total leases receivable | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 767,339</u> |

As of June 30, 2012, the Ackerman lease has a past due balance of \$37,395.

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 22 for further details.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 6—Due From Other Governmental Units:

At June 30, 2012, the County has receivables from other governments as follows:

| | Governmental Activities | | | | Component Units | |
|----------------------------------|--------------------------------|------------------------|-------------------------|---------------------|------------------------|-------------------|
| | General | Special Revenue | Capital Projects | Total | School Board | IDA |
| Commonwealth of Virginia: | | | | | | |
| Local sales taxes | \$ 125,735 | \$ - | \$ - | \$ 125,735 | \$ - | \$ - |
| State sales taxes | - | - | - | - | 390,904 | - |
| Communication sales taxes | 72,981 | - | - | 72,981 | - | - |
| Public assistance | - | 53,125 | - | 53,125 | - | - |
| Comprehensive services | - | 54,381 | - | 54,381 | - | - |
| Shared expenses and grants | 213,750 | - | - | 213,750 | - | - |
| Mobile home titling | 8,203 | - | - | 8,203 | - | - |
| Wireless E-911 revenues | 6,172 | - | - | 6,172 | - | - |
| Victim witness | 15,410 | - | - | 15,410 | - | - |
| Tobacco grant | - | - | - | - | - | 287,053 |
| Other | 39,935 | - | - | 39,935 | - | - |
| Federal government: | | | | | | |
| FEMA - emergency mgnt | 46,079 | - | - | 46,079 | - | - |
| Public assistance | - | 82,833 | - | 82,833 | - | - |
| LINX grant funds | - | - | 8,109 | 8,109 | - | - |
| CDBG funds | - | - | 281,815 | 281,815 | - | - |
| VDOT grant | - | - | 8,257 | 8,257 | - | - |
| Title I, including ARRA | - | - | - | - | 258,085 | - |
| Title VI-B | - | - | - | - | 118,521 | - |
| Teacher quality | - | - | - | - | 57,633 | - |
| Vocational education | - | - | - | - | 48,215 | - |
| School improvement grant | - | - | - | - | 181,789 | - |
| Headstart | - | - | - | - | 59,434 | - |
| Nutrition | - | - | - | - | 61,386 | - |
| Other | - | - | - | - | 44,698 | - |
| Total | \$ 528,265 | \$ 190,339 | \$ 298,181 | \$ 1,016,785 | \$ 1,220,665 | \$ 287,053 |

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, 2011 | Increases | Amortization | Balance June 30, 2012 |
|-----------------------------------|-------------------------------------|------------------|---------------------|--------------------------------------|
| 2003 Refunding | \$ 19,880 | \$ - | \$ 4,641 | \$ 15,239 |
| 2005 qualified zone academy bonds | 23,409 | - | 2,926 | 20,483 |
| Total issuance costs | \$ 43,289 | \$ - | \$ 7,567 | \$ 35,722 |

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 8—Capital Assets:

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

Primary Government:

| | Balance July 1, 2011 | Increases | Decreases | Balance June 30, 2012 |
|--|-------------------------------------|-------------------|---------------------|--------------------------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 717,374 | \$ - | \$ - | \$ 717,374 |
| Construction in Progress: | | | | |
| County | 983,205 | - | 983,205 | - |
| Jointly owned assets | - | 371,334 | 150,505 | 220,829 |
| Total capital assets not being depreciated | <u>\$ 1,700,579</u> | <u>\$ 371,334</u> | <u>\$ 1,133,710</u> | <u>\$ 938,203</u> |
| Other capital assets: | | | | |
| Buildings and improvements | \$ 9,166,233 | \$ 39,550 | \$ - | \$ 9,205,783 |
| Machinery, equipment and vehicles | 2,990,865 | 703,321 | 127,535 | 3,566,651 |
| Intangibles | 344,214 | - | - | 344,214 |
| Jointly owned assets | 8,274,288 | 150,505 | 434,778 | 7,990,015 |
| Total other capital assets | <u>\$ 20,775,600</u> | <u>\$ 893,376</u> | <u>\$ 562,313</u> | <u>\$ 21,106,663</u> |
| Accumulated depreciation: | | | | |
| Buildings and improvements | \$ 3,665,663 | \$ 229,399 | \$ - | \$ 3,895,062 |
| Machinery, equipment and vehicles | 2,216,870 | 382,854 | 122,317 | 2,477,407 |
| Intangibles | 135,874 | 9,058 | - | 144,932 |
| Jointly owned assets | 1,341,135 | 234,238 | 88,613 | 1,486,760 |
| Total accumulated depreciation | <u>\$ 7,359,542</u> | <u>\$ 855,549</u> | <u>\$ 210,930</u> | <u>\$ 8,004,161</u> |
| Other capital assets, net | <u>\$ 13,416,058</u> | <u>\$ 37,827</u> | <u>\$ 351,383</u> | <u>\$ 13,102,502</u> |
| Net capital assets | <u>\$ 15,116,637</u> | <u>\$ 409,161</u> | <u>\$ 1,485,093</u> | <u>\$ 14,040,705</u> |

Construction in progress decreases include \$580,016 in donations to other jurisdictions for their share of the LINX project.

Depreciation is allocated to:

| | |
|-----------------------------------|-------------------|
| General government administration | \$ 121,591 |
| Public safety | 371,242 |
| Public works | 85,720 |
| Health and welfare | 15,780 |
| Education | 234,238 |
| Parks and recreation | 26,978 |
| Total | <u>\$ 855,549</u> |

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 8—Capital Assets: (Continued)

Component Unit-School Board:

| | Balance July 1, 2011 | Increases | Decreases | Balance June 30, 2012 |
|--|-------------------------------------|------------------|------------------|--------------------------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 25,822 | \$ - | \$ - | \$ 25,822 |
| Construction in Progress | 14,835 | - | 14,835 | - |
| Total capital assets not being depreciated | \$ 40,657 | \$ - | \$ 14,835 | \$ 25,822 |
| Other capital assets: | | | | |
| Buildings and improvements | \$ 9,051,192 | \$ 14,835 | \$ - | \$ 9,066,027 |
| Machinery, equipment and vehicles | 4,447,365 | 91,645 | 14,375 | 4,524,635 |
| Jointly owned assets | 2,692,184 | 434,778 | - | 3,126,962 |
| Total other capital assets | \$ 16,190,741 | \$ 541,258 | \$ 14,375 | \$ 16,717,624 |
| Accumulated depreciation: | | | | |
| Buildings and improvements | \$ 5,595,767 | \$ 90,330 | \$ - | \$ 5,686,097 |
| Machinery, equipment and vehicles | 2,980,108 | 297,411 | 9,650 | 3,267,869 |
| Jointly owned assets | 723,803 | 166,787 | - | 890,590 |
| Total accumulated depreciation | \$ 9,299,678 | \$ 554,528 | \$ 9,650 | \$ 9,844,556 |
| Other capital assets, net | \$ 6,891,063 | \$ (13,270) | \$ 4,725 | \$ 6,873,068 |
| Net capital assets | \$ 6,931,720 | \$ (13,270) | \$ 19,560 | \$ 6,898,890 |
| Depreciation is allocated to education | | \$ 554,528 | | |

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, 2012, is that school financed assets in the amount of \$6,503,255 net are reported in the Primary Government for financial reporting purposes.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 8—Capital Assets: (Continued)

Component Unit-Industrial Development Authority:

| | <u>Balance July 1, 2011</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance June 30, 2012</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 | 30,940 | - | - | 30,940 |
| Total other capital assets | \$ 940,438 | \$ - | \$ - | \$ 940,438 |
| Accumulated depreciation: | | | | |
| Buildings | \$ 195,633 | \$ 25,482 | \$ - | \$ 221,115 |
| Improvements | 26,022 | - | - | 26,022 |
| Machinery, equipment and vehicles | 20,120 | 4,328 | - | 24,448 |
| Total accumulated depreciation | \$ 241,775 | \$ 29,810 | \$ - | \$ 271,585 |
| Other capital assets, net | \$ 698,663 | \$ (29,810) | \$ - | \$ 668,853 |
| Net capital assets | \$ 790,905 | \$ (29,810) | \$ - | \$ 761,095 |
| Depreciation is allocated to the Industrial Development Authority | | | \$ 29,810 | |

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, 2012 (Continued)

Note 10—Long-Term Obligations:

The following is a summary of long-term obligation transactions for the County for the year ended June 30, 2012.

| | <u>Balance July 1, 2011</u> | <u>Issuances/ Increases</u> | <u>Retirements/ Decreases</u> | <u>Balance June 30, 2012</u> |
|--|---------------------------------|---------------------------------|-----------------------------------|----------------------------------|
| Primary Government: | | | | |
| Bonds payable: | | | | |
| Lease revenue bonds | \$ 2,059,100 | \$ - | \$ 423,700 | \$ 1,635,400 |
| General obligation bonds: | | | | |
| School | 6,461,059 | 1,530,000 | 434,778 | 7,556,281 |
| Premium on issuance | 144,035 | - | 17,841 | 126,194 |
| Qualified Zone Academy Bonds | 1,813,229 | - | - | 1,813,229 |
| Less deferred amounts: | | | | |
| On refunding | (114,851) | - | (26,812) | (88,039) |
| Total bonds payable | \$ 10,362,572 | \$ 1,530,000 | \$ 849,507 | \$ 11,043,065 |
| Capital lease | 16,593 | - | 5,276 | 11,317 |
| Early retirement incentive costs | 395,200 | - | 24,100 | 371,100 |
| Sewer capacity agreement | 209,664 | - | 8,736 | 200,928 |
| Landfill closure/postclosure liability | 568,145 | 13,636 | - | 581,781 |
| Compensated absences | 578,345 | - | 35,071 | 543,274 |
| Other post employment benefits | 73,851 | 57,114 | 19,100 | 111,865 |
| Total payable from governmental activities | \$ 12,204,370 | \$ 1,600,750 | \$ 941,790 | \$ 12,863,330 |
| Component Unit Activities: | | | | |
| School Board | | | | |
| Compensated absences | \$ 557,390 | \$ - | \$ 3,374 | \$ 554,016 |
| Other post employment benefits | 128,757 | 121,229 | 56,600 | 193,386 |
| Total payable from School Board | \$ 686,147 | \$ 121,229 | \$ 59,974 | \$ 747,402 |
| Industrial Development Authority | | | | |
| Water and sewer bond | \$ 685,187 | \$ - | \$ 82,763 | \$ 602,424 |
| Rural Development loan | 560,528 | - | 113,671 | 446,857 |
| Other loan | 464,714 | - | 14,882 | 449,832 |
| Total payable from IDA | \$ 1,710,429 | \$ - | \$ 211,316 | \$ 1,499,113 |
| Total payable from component unit activities | \$ 2,396,576 | \$ 121,229 | \$ 271,290 | \$ 2,246,515 |
| Total long-term obligations | \$ 14,600,946 | \$ 1,721,979 | \$ 1,213,080 | \$ 15,109,845 |

Reconciliation to Exhibit 1:

| | <u>Component Units</u> | | | |
|-----------------------------|-------------------------------|-------------------------|---|---------------|
| | <u>Primary Government</u> | <u>School Board</u> | <u>Industrial Development Authority</u> | |
| Long-term liabilities: | | | | |
| Due within one year | \$ 915,657 | \$ 55,402 | \$ 219,762 | \$ 1,190,821 |
| Due in more than one year | 11,947,673 | 692,000 | 1,279,351 | 13,919,024 |
| Total long-term obligations | \$ 12,863,330 | \$ 747,402 | \$ 1,499,113 | \$ 15,109,845 |

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (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> |
|------------------------------------|-------------------------|------------------------|
| 2013 | \$ 854,829 | \$ 467,479 |
| 2014 | 881,497 | 431,562 |
| 2015 | 914,632 | 394,374 |
| 2016 | 816,758 | 360,071 |
| 2017 | 842,293 | 328,791 |
| 2018-2022 | 4,436,813 | 1,149,588 |
| 2023-2027 | 2,468,382 | 541,558 |
| 2028-2032 | 373,681 | 227,587 |
| 2033-2035 | 26,208 | - |
| Total | \$ <u>11,615,093</u> | \$ <u>3,901,010</u> |

Note: The above includes long-term obligations, deferred charges, premiums, and early retirement incentive costs. Compensated absences, OPEB, capital leases, and landfill closure/postclosure liability are not included.

The future minimum lease obligations and the net present value of minimum lease payments as of June 30, 2012, were as follows:

| <u>Year Ending June 30,</u> | <u>Minimum Lease Payments</u> |
|---|--------------------------------------|
| 2013 | \$ 9,864 |
| 2014 | 5,754 |
| Total minimum lease payments | \$ 15,618 |
| Less: amount representing interest and fees | <u>(4,301)</u> |
| Present value of minimum lease payments | \$ <u>11,317</u> |

Industrial Development Authority:

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> |
|------------------------------------|-------------------------|------------------------|
| 2013 | \$ 219,762 | \$ 55,943 |
| 2014 | 228,560 | 47,145 |
| 2015 | 237,724 | 37,981 |
| 2016 | 567,473 | 28,091 |
| 2017 | 96,049 | 6,653 |
| 2018-2019 | 149,545 | 4,508 |
| Total | \$ <u>1,499,113</u> | \$ <u>180,321</u> |

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (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% | \$ 1,635,400 | \$ 301,400 |
| Less: Deferred charge on refunding | <u>(88,039)</u> | <u>(24,161)</u> |
| Net lease revenue bond | <u>\$ 1,547,361</u> | <u>\$ 277,239</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% | \$ 350,829 | \$ 111,784 |
| \$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% | 915,437 | 65,714 |
| Plus: Premium on issuance | 32,829 | 5,020 |
| \$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% | 4,760,015 | 269,637 |
| Plus: Premium on issuance | 93,365 | 11,699 |
| \$1,530,000 School Bonds, 2011, issued December 1, 2011, maturing in various annual installments of \$80,000 to \$85,000 through December 1, 2030, interest payable semi-annually at 4.25% to be refunded by a Federal Tax Credit | <u>1,530,000</u> | <u>80,000</u> |
| Total general obligation bonds | <u>\$ 7,682,475</u> | <u>\$ 543,854</u> |

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (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 Lease:</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 \$22,544 at June 30, 2012. | \$ <u>11,317</u> | \$ <u>6,501</u> |
| <u>Landfill closure and postclosure care liability</u> | \$ <u>581,781</u> | \$ <u>-</u> |
| <u>Compensated absences (payable from general fund)</u> | \$ <u>543,274</u> | \$ <u>54,327</u> |
| <u>Other post employment benefits</u> | \$ <u>111,865</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>371,100</u> | \$ <u>25,000</u> |
| <u>Town of Brodnax Sewer Capacity agreement:</u> | | |
| In 1997, the County entered into an agreement with the Town of Brodnax to purchase 20,000 gpd of sewer capacity. An initial payment of \$9,334 was made in 1997 and monthly payments of \$728 are being made through June 2035. | \$ <u>200,928</u> | \$ <u>8,736</u> |
| Total long-term obligations from governmental activities | \$ <u>12,863,330</u> | \$ <u>915,657</u> |

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (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> | \$ 554,016 | \$ 55,402 |
| <u>Other post employment benefits</u> | \$ 193,386 | \$ - |
| Total long-term obligations from School Board | \$ 747,402 | \$ 55,402 |
| <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% | \$ 449,832 | \$ 15,606 |
| \$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% | 446,857 | 118,893 |
| \$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% | 602,424 | 85,263 |
| Total long-term obligations from Industrial Development Authority | \$ 1,499,113 | \$ 219,762 |
| Total long-term obligations | \$ 15,109,845 | \$ 1,190,821 |

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.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 11—Commitments and Contingencies: (Continued)

The County had a CDBG project underway, which is presented in the financial statements as construction in progress. The contract amount for the Simmons Drive project is \$799,575, of which \$781,762 was outstanding at June 30, 2012.

In addition, the county entered into contracts for the Courthouse Renovation project and the Byways Visitor Center project in the amount of \$220,000 and \$109,000, respectively. Neither project was started prior to June 30, 2012.

In September 2011, the Board adopted a resolution approving the issuance of debt by the Meherrin River Regional Jail Authority in connection with the construction of an additional jail facility in Mecklenburg County. The County and other participating localities pledged their moral obligation to pay the debt service on the Note in the event the Authority lacks funds for such purpose in substantially the same proportionate manner as they pledged their moral obligation to the VRA Bond and the Carter Bank Note. In addition, the County committed \$1.1 million to the Authority for the Mecklenburg Facility.

The School Board had several school modernization projects underway, which are presented in the financial statements as construction in progress. The contracts for these projects total \$1,453,314, of which \$1,242,769 was outstanding at June 30, 2012.

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, 2012, 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.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

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 2012. 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.

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 (professional) employees of public school divisions and employees of participating employers are automatically covered by VRS upon employment. Benefits vest after five years of service credit. Members earn one month of service credit for each month they are employed and their employer is paying into the VRS. Members are eligible to purchase prior public service, active duty military service, certain periods of leave and previously refunded VRS service as credit in their plan.

VRS administers two defined benefit plans for local government employees – Plan 1 and Plan 2:

- Members hired before July 1, 2010 and who have service credits before July 1, 2010 are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of service credit or age 50 with at least 30 years of service credit. They may retire with a reduced benefit early at age 55 with at least five years of service credit or age 50 with at least 10 years of service credit.
- Members hired or rehired on or after July 1, 2010 and who have no service credits before July 1, 2010 are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of service credit.
- Eligible hazardous duty members in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. These members include sheriffs, deputy sheriffs and hazardous duty employees of political subdivisions that have elected to provide enhanced coverage for hazardous duty service. They may retire with a reduced benefit as early as age 50 with at least five years of service credit. All other provisions of the member's plan apply.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 15–Defined Benefit Pension Plan: (Continued)

A. Plan Description (Continued)

The VRS Basic Benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the member's average final compensation multiplied by the member's total service credit. Under Plan 1, average final compensation is the average of the member's 36 consecutive months of highest compensation. Under Plan 2, average final compensation is the average of the member's 60 consecutive months of highest compensation. The retirement multiplier for non-hazardous duty members is 1.70 %. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier for eligible political subdivision hazardous duty employees other than sheriffs and jail superintendents is 1.70% or 1.85% as elected by the employer. At retirement, members can elect the Basic Benefit, the Survivor Option, a Partial Lump-Sum Option Payment (PLOP) or the Advance Pension Option. A retirement reduction factor is applied to the Basic Benefit amount for members electing the Survivor Option, PLOP or Advance Pension Option or those retiring with a reduced benefit.

Retirees are eligible for an annual cost-of-living adjustment (COLA) effective July 1 of the second calendar year of retirement. Under Plan 1, the COLA cannot exceed 5.00%; under Plan 2, the COLA cannot exceed 6.00%. During years of no inflation or deflation, the COLA is 0.00%. 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 the most recent report may be obtained from the VRS website at <http://www.varetire.org/Pdf/publications/2011-annual-report.pdf> or 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 compensation toward their retirement. The employer has assumed this 5.00% member contribution. 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 2012 was 11.90%, of annual covered payroll. The School non-professional and Industrial Development Authority contribution rates for the fiscal year ended 2012 were 6.09% and 6.08% of annual covered payroll, respectively.

C. Annual Pension Cost

For fiscal year 2012, the County's annual pension cost of \$508,923 (does not include the portion of the employee share assumed by County which was \$213,833) was equal to the County's required and actuarial contributions.

For fiscal year 2012, the School Board's annual pension cost for the Board's non-professional employees was \$70,338 (does not include the employee share assumed by the Board which was \$57,749) and was equal to the Board's required and actual contributions.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 15–Defined Benefit Pension Plan: (Continued)

C. Annual Pension Cost (Continued)

For fiscal year 2012, the County Industrial Development Authority’s annual pension cost of \$6,451 (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

| <u>Fiscal Year Ending</u> | <u>Annual Pension Cost (APC) (1)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|-----------------------------------|--------------------------------------|--------------------------------------|-------------------------------|
| County: | | | |
| June 30, 2012 | \$ 508,923 | 100% | - |
| June 30, 2011 | 515,241 | 100% | - |
| June 30, 2010 | 441,850 | 100% | - |
| School Board Non-Professional: | | | |
| June 30, 2012 | \$ 70,338 | 100% | - |
| June 30, 2011 | 73,142 | 100% | - |
| June 30, 2010 | 93,974 | 100% | - |
| Industrial Development Authority: | | | |
| June 30, 2012 | \$ 6,451 | 100% | - |
| June 30, 2011 | 6,451 | 100% | - |
| June 30, 2010 | 6,355 | 100% | - |

(1) Employer portion only

The FY 2012 required contribution was determined as part of the June 30, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2009 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, School Board’s, and Industrial Development Authority’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2009 for the Unfunded Actuarial Accrued Liability (UAAL) was 20 years.

D. Funded Status and Funding Progress

As of June 30, 2011, the most recent actuarial valuation date, the County’s plan was 68.52% funded. The actuarial accrued liability for benefits was \$17,650,989, and the actuarial value of assets was \$12,094,955, resulting in an unfunded actuarial accrued liability (UAAL) of \$5,556,034. The covered payroll (annual payroll of active employees covered by the plan) was \$4,350,882, and ratio of the UAAL to the covered payroll was 127.70%.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 15—Defined Benefit Pension Plan: (Continued)

D. Funded Status and Funding Progress (Continued)

As of June 30, 2011, the most recent actuarial valuation date, the School Board's plan was 84.06% funded. The actuarial accrued liability for benefits was \$4,990,364, and the actuarial value of assets was \$4,195,074, resulting in an unfunded actuarial accrued liability (UAAL) of \$795,290. The covered payroll (annual payroll of active employees covered by the plan) was \$1,159,862, and ratio of the UAAL to the covered payroll was 68.57%.

As of June 30, 2011, the most recent actuarial valuation date, the Industrial Development Authority's plan was 108.96% funded. The actuarial accrued liability for benefits was \$193,424, and the actuarial value of assets was \$210,760, resulting in an unfunded actuarial accrued liability (UAAL) of (\$17,336). 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 (16.34%).

The schedule of funding progress, presented as required supplementary information (RSI) 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/2010-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 5.00% of their compensation toward their retirement and Brunswick County School Board is required to contribute at an actuarial determined rate. The rates for fiscal years 2012, 2011, and 2010 were 6.33%, 3.93% and 8.81%, respectively, of annual covered payroll. 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, 2012, 2011, and 2010 were \$640,889, \$404,330, and \$701,747, respectively, which equaled the required contributions for each year.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (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 and School Board'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 2012 was .66% of annual covered payroll.

C. Annual 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, 2012 (Continued)

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

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

For 2012, the School Board's contribution of \$7,623 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 2012 and the two preceding years 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, 2012 | \$ 7,623 | 100% | - |
| June 30, 2011 | 7,927 | 100% | - |
| June 30, 2010 | 12,962 | 100% | - |

D. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2011, the most recent actuarial valuation date, is as follows:

| | | |
|---|----|-----------|
| Actuarial accrued liability (AAL) | \$ | 108,526 |
| Actuarial value of plan assets | \$ | 32,042 |
| Unfunded actuarial accrued liability (UAAL) | \$ | 76,484 |
| Funded ratio (actuarial value of plan assets/AAL) | | 29.52% |
| Covered payroll (active plan members) | \$ | 1,159,862 |
| UAAL as a percentage of covered payroll | | 6.59% |

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, 2012 (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 7.0% 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, 2010 was 26 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 .60% of annual covered payroll. The School Board's contributions to VRS for the years ended June 30, 2012, 2011, and 2010 were \$60,748, \$61,730, and \$82,901, respectively and equaled the required contributions for each year.

Note 18–Other Post Employment Benefits – Health Insurance:

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. 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, 2012 (Continued)

Note 18—Other Post Employment Benefits – Health Insurance: (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 | \$ 56,800 | \$ 120,700 |
| Interest on net OPEB obligation | 2,954 | 5,150 |
| Adjustment to annual required contribution | <u>(2,640)</u> | <u>(4,621)</u> |
| Annual OPEB cost (expense) | \$ 57,114 | \$ 121,229 |
| Contributions made | <u>(19,100)</u> | <u>(56,600)</u> |
| Increase in net OPEB obligation | \$ 38,014 | \$ 64,629 |
| Net OPEB obligation-beginning of year | <u>73,851</u> | <u>128,757</u> |
| Net OPEB obligation-end of year | <u>\$ 111,865</u> | <u>\$ 193,386</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 2012 and the two preceding years 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, 2012 | \$ 57,114 | 33.44% | 111,865 |
| June 30, 2011 | 56,951 | 32.48% | 73,851 |
| June 30, 2010 | 53,900 | 34.32% | 35,400 |
| School Board: | | | |
| June 30, 2012 | \$ 121,229 | 46.69% | 193,386 |
| June 30, 2011 | 124,457 | 47.57% | 128,757 |
| June 30, 2010 | 118,600 | 46.46% | 63,500 |

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 18—Other Post Employment Benefits – Health Insurance: (Continued)

D. Funded Status and Funding Progress

The funded status of the plans as of June 30, 2009 and June 30, 2011, respectively, are as follows:

| | <u>County</u> | <u>School Board</u> |
|---|---------------|---------------------|
| Actuarial accrued liability (AAL) | \$ 444,800 | \$ 1,135,400 |
| Actuarial value of plan assets | \$ - | \$ - |
| Unfunded actuarial accrued liability (UAAL) | \$ 444,800 | \$ 1,135,400 |
| Funded ratio (actuarial value of plan assets/AAL) | 0.00% | 0.00% |
| Covered payroll (active plan members) | \$ 4,955,700 | \$ 12,438,200 |
| UAAL as a percentage of covered payroll | 8.98% | 9.13% |

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.

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 assumption. 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.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

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 |
| Virginia Association of Counties (VACo) Risk Management Programs: County and School Board: | |
| Faithful performance blanket position coverage | 250,000 |

Note 20–Interfund Balances and Transfers:

Interfund balances and transfers for the year ended June 30, 2012, consisted of the following:

| | <u>Due To</u> | <u>Due From</u> | <u>Net</u> |
|--------------------------|---------------------|----------------------|----------------|
| Primary Government: | | | |
| General Fund | \$ - | \$ 145,346 | \$ (145,346) |
| VPA Fund | 123,753 | - | 123,753 |
| Airport Fund | 15,121 | - | 15,121 |
| CSA Fund | 6,472 | - | 6,472 |
| | <u>145,346</u> | <u>145,346</u> | <u>-</u> |
| Total Primary Government | \$ 145,346 | \$ 145,346 | \$ - |
| Component Unit: | | | |
| IDA | \$ 500,000 | \$ - | \$ 500,000 |
| | <u>500,000</u> | <u>-</u> | <u>500,000</u> |
| | | | |
| | <u>Transfers In</u> | <u>Transfers Out</u> | <u>Net</u> |
| Primary Government: | | | |
| General Fund | \$ 25,000 | \$ 1,264,956 | \$ (1,239,956) |
| VPA Fund | 287,457 | - | 287,457 |
| Debt Service Fund | 822,400 | - | 822,400 |
| Capital Projects Fund | 9,301 | 25,000 | (15,699) |
| Airport Fund | 25,909 | - | 25,909 |
| CSA Fund | 119,889 | - | 119,889 |
| | <u>1,289,956</u> | <u>1,289,956</u> | <u>-</u> |
| Total Transfers | \$ 1,289,956 | \$ 1,289,956 | \$ - |

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 20–Interfund Balances and Transfers: (Continued)

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 government’s deferred revenue consists of the following at June 30, 2012:

| | <u>Government-wide Statements</u> | | |
|--|-----------------------------------|-----------------------------|-----------------------------|
| | <u>Component</u> | | |
| | <u>Unit</u> | | <u>Balance</u> |
| | <u>Industrial</u> | | <u>Sheet</u> |
| | <u>Governmental</u> | <u>Development</u> | <u>Governmental</u> |
| | <u>Activities</u> | <u>Authority</u> | <u>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. | \$ - | \$ - | \$ 332,033 |
| | <u> </u> | <u> </u> | <u> </u> |
| Component Unit Industrial Development Authority: | | | |
| Deferred gain: | | | |
| Long-term profit on sale of building amortized annually through 2022 | \$ - | \$ 92,931 | \$ - |
| | <u> </u> | <u> </u> | <u> </u> |

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).

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

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 \$581,781 reported as landfill postclosure care liability at June 30, 2012 represents the estimated remaining amount of postclosure monitoring costs required, including corrective action costs of \$326,997 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.

Note 24–Subsequent Events:

On September 27, 2012, the School Board sold the Peebles Building to the Town of Lawrenceville for \$125,000. The School Board, in turn, purchased a building from the Department of Forestry for \$95,000 on December 14, 2012.

Dominion Power has proposed to construct, operate and maintain a power generation facility generating up to 1500MW with natural gas as its primary fuel and with oil as a secondary fuel, and other accessory uses. Construction is expected to begin in summer 2013, with operation of the facility to begin in 2016. The \$1 Billion plus investment is expected to provide more than 600 new construction jobs and 30 permanent positions.

On November 20, 2012, the County issued a \$3,000,000 financing lease for courthouse renovations. The term of the agreement shall not exceed 20 years at an interest rate not to exceed 2.70% per year.

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, 2012

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|---|-----------------------|-----------------------|-----------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| General property taxes | \$ 7,672,265 | \$ 7,672,265 | \$ 8,025,149 | \$ 352,884 |
| Other local taxes | 1,384,500 | 1,384,500 | 1,467,078 | 82,578 |
| Permits, privilege fees, and regulatory licenses | 83,800 | 83,800 | 114,407 | 30,607 |
| Fines and forfeitures | 400,000 | 750,000 | 771,660 | 21,660 |
| Revenue from the use of money and property | 147,600 | 147,600 | 208,081 | 60,481 |
| Charges for services | 679,600 | 679,600 | 610,714 | (68,886) |
| Miscellaneous | 15,000 | 50,648 | 261,649 | 211,001 |
| Recovered costs | 246,571 | 246,571 | 236,450 | (10,121) |
| Intergovernmental revenues: | | | | |
| Commonwealth | 4,185,439 | 4,224,020 | 4,259,596 | 35,576 |
| Federal | 43,000 | 120,092 | 118,963 | (1,129) |
| Total revenues | <u>\$ 14,857,775</u> | <u>\$ 15,359,096</u> | <u>\$ 16,073,747</u> | <u>\$ 714,651</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government administration | \$ 1,410,161 | \$ 1,517,934 | \$ 1,477,604 | \$ 40,330 |
| Judicial administration | 899,437 | 938,779 | 911,170 | 27,609 |
| Public safety | 4,801,680 | 5,600,228 | 5,588,300 | 11,928 |
| Public works | 1,241,409 | 1,356,901 | 1,352,001 | 4,900 |
| Health and welfare | 144,014 | 144,014 | 144,014 | - |
| Education | 4,634,823 | 5,460,898 | 5,457,628 | 3,270 |
| Parks, recreation, and cultural | 238,759 | 251,923 | 240,993 | 10,930 |
| Community development | 380,032 | 381,619 | 361,338 | 20,281 |
| Capital projects | 7,500 | 7,500 | 7,500 | - |
| Debt service: | | | | |
| Principal retirement | 299,436 | 303,706 | 304,712 | (1,006) |
| Interest and other fiscal charges | 66,957 | 68,368 | 68,624 | (256) |
| Total expenditures | <u>\$ 14,124,208</u> | <u>\$ 16,031,870</u> | <u>\$ 15,913,884</u> | <u>\$ 117,986</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ 733,567</u> | <u>\$ (672,774)</u> | <u>\$ 159,863</u> | <u>\$ 832,637</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | \$ 25,001 | \$ 25,001 | \$ 25,000 | \$ (1) |
| Transfers out | (1,433,604) | (1,442,455) | (1,264,956) | 177,499 |
| Total other financing sources (uses) | <u>\$ (1,408,603)</u> | <u>\$ (1,417,454)</u> | <u>\$ (1,239,956)</u> | <u>\$ 177,498</u> |
| Net change in fund balances | \$ (675,036) | \$ (2,090,228) | \$ (1,080,093) | \$ 1,010,135 |
| Fund balances - beginning | - | 1,415,192 | 11,125,588 | 9,710,396 |
| Fund balances - ending | <u>\$ (675,036)</u> | <u>\$ (675,036)</u> | <u>\$ 10,045,495</u> | <u>\$ 10,720,531</u> |

Virginia Public Assistance Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2012

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|------------------|--------------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Miscellaneous | \$ - | \$ - | \$ 3,628 | \$ 3,628 |
| Intergovernmental revenues: | | | | |
| Commonwealth | 700,563 | 700,563 | 609,846 | (90,717) |
| Federal | 1,008,311 | 1,008,311 | 967,567 | (40,744) |
| Total revenues | \$ 1,708,874 | \$ 1,708,874 | \$ 1,581,041 | \$ (127,833) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Health and welfare | \$ 2,032,358 | \$ 2,032,358 | \$ 1,868,498 | \$ 163,860 |
| Total expenditures | \$ 2,032,358 | \$ 2,032,358 | \$ 1,868,498 | \$ 163,860 |
| Excess (deficiency) of revenues over (under) expenditures | \$ (323,484) | \$ (323,484) | \$ (287,457) | \$ 36,027 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | \$ 323,484 | \$ 323,484 | \$ 287,457 | \$ (36,027) |
| Total other financing sources (uses) | \$ 323,484 | \$ 323,484 | \$ 287,457 | \$ (36,027) |
| Net change in fund balances | \$ - | \$ - | \$ - | \$ - |
| Fund balances - beginning | - | - | - | - |
| Fund balances - ending | \$ - | \$ - | \$ - | \$ - |

Schedule of Pension and OPEB Funding Progress
For the Year Ended June 30, 2012

Virginia Retirement System - Pension Funding Progress:

County:

| <u>Actuarial Valuation Date</u> | <u>Actuarial Value of Assets (AVA)</u> (a) | <u>Actuarial Accrued Liability (AAL)</u> (b) | <u>Unfunded Actuarial Accrued Liability (UAAL) (b-a)</u> (c) | <u>Funded Ratio (a/b)</u> (d) | <u>Annual Covered Payroll</u> (e) | <u>UAAL as % of Covered Payroll (c/e)</u> (f) |
|---------------------------------|---|---|---|----------------------------------|--------------------------------------|--|
| June 30, 2009 | \$ 11,589,733 | \$ 15,278,254 | \$ 3,688,521 | 75.86% | \$ 4,380,065 | 84.21% |
| June 30, 2010 | 11,687,853 | 16,849,715 | 5,161,862 | 69.37% | 4,277,184 | 120.68% |
| June 30, 2011 | 12,094,955 | 17,650,989 | 5,556,034 | 68.52% | 4,350,882 | 127.70% |

School Board Non-Professional:

| <u>Actuarial Valuation Date</u> | <u>Actuarial Value of Assets (AVA)</u> (a) | <u>Actuarial Accrued Liability (AAL)</u> (b) | <u>Unfunded Actuarial Accrued Liability (UAAL) (b-a)</u> (c) | <u>Funded Ratio (a/b)</u> (d) | <u>Annual Covered Payroll</u> (e) | <u>UAAL as % of Covered Payroll (c/e)</u> (f) |
|---------------------------------|---|---|---|----------------------------------|--------------------------------------|--|
| June 30, 2009 | \$ 4,140,199 | \$ 4,454,068 | \$ 313,869 | 92.95% | \$ 1,265,702 | 24.80% |
| June 30, 2010 | 4,149,424 | 4,838,408 | 688,984 | 85.76% | 1,222,910 | 56.34% |
| June 30, 2011 | 4,195,074 | 4,990,364 | 795,290 | 84.06% | 1,159,862 | 68.57% |

Industrial Development Authority:

| <u>Actuarial Valuation Date</u> | <u>Actuarial Value of Assets (AVA)</u> (a) | <u>Actuarial Accrued Liability (AAL)</u> (b) | <u>Unfunded Actuarial Accrued Liability (UAAL) (b-a)</u> (c) | <u>Funded Ratio (a/b)</u> (d) | <u>Annual Covered Payroll</u> (e) | <u>UAAL as % of Covered Payroll (c/e)</u> (f) |
|---------------------------------|---|---|---|----------------------------------|--------------------------------------|--|
| June 30, 2009 | \$ 180,379 | \$ 139,058 | \$ (41,321) | 129.71% | \$ 106,096 | (38.95%) |
| June 30, 2010 | 194,047 | 173,596 | (20,451) | 111.78% | 106,096 | (19.28%) |
| June 30, 2011 | 210,760 | 193,424 | (17,336) | 108.96% | 106,096 | (16.34%) |

Schedule of Pension and OPEB Funding Progress
For the Year Ended June 30, 2012 (Continued)

Virginia Retirement System - Health Insurance Credit:

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, 2009 | \$ 15,137 | \$ 99,443 | \$ 84,306 | 15.22% | \$ 1,265,702 | 6.66% |
| June 30, 2010 | 25,255 | 106,094 | 80,839 | 23.80% | 1,222,910 | 6.61% |
| June 30, 2011 | 32,042 | 108,526 | 76,484 | 29.52% | 1,159,862 | 6.59% |

Other Post Employment Benefits:

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% |
| June 30, 2011 | - | 1,135,400 | 1,135,400 | 0.00% | 12,438,200 | 9.13% |

* OPEB actuarial valuations are performed every 3 years and the valuation at June 30, 2009 was the initial valuation.

** OPEB actuarial valuations are performed every 2 years and the valuation at June 30, 2009 was the initial valuation.

OTHER SUPPLEMENTARY INFORMATION

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Combining and Individual Fund Statements and Schedules

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Debt Service Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2012

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|---|-------------------------|----------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Revenue from the use of money and property | \$ 20,000 | \$ 20,000 | \$ 52,081 | \$ 32,081 |
| Total revenues | \$ 20,000 | \$ 49,984 | \$ 82,065 | \$ 32,081 |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Principal retirement | \$ 727,112 | \$ 727,112 | \$ 591,878 | \$ 135,234 |
| Interest and other fiscal charges | 321,412 | 351,396 | 404,585 | (53,189) |
| Total expenditures | \$ 1,048,524 | \$ 1,078,508 | \$ 996,463 | \$ 82,045 |
| Excess (deficiency) of revenues over (under) expenditures | \$ (1,028,524) | \$ (1,028,524) | \$ (914,398) | \$ 114,126 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | \$ 822,401 | \$ 822,401 | \$ 822,400 | \$ (1) |
| Total other financing sources (uses) | \$ 822,401 | \$ 822,401 | \$ 822,400 | \$ (1) |
| Net change in fund balances | \$ (206,123) | \$ (206,123) | \$ (91,998) | \$ 114,125 |
| Fund balances - beginning | - | - | 2,151,086 | 2,151,086 |
| Fund balances - ending | \$ (206,123) | \$ (206,123) | \$ 2,059,088 | \$ 2,265,211 |

COUNTY OF BRUNSWICK, VIRGINIA

Capital Projects Funds

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

For the Year Ended June 30, 2012

| | 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 | \$ 30,000 | \$ 30,000 | \$ 27,300 | \$ (2,700) |
| Intergovernmental revenues: | | | | |
| Commonwealth | 611,975 | 612,561 | 169,493 | (443,068) |
| Federal | 1,360,046 | 2,334,516 | 457,057 | (1,877,459) |
| Total revenues | <u>\$ 2,002,021</u> | <u>\$ 2,977,077</u> | <u>\$ 653,850</u> | <u>\$ (2,323,227)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Education | \$ 76,000 | \$ 133,368 | \$ 133,368 | \$ - |
| Capital projects | 2,671,141 | 3,718,403 | 1,070,964 | 2,647,439 |
| Debt service: | | | | |
| Issuance costs | - | - | - | - |
| Total expenditures | <u>\$ 2,747,141</u> | <u>\$ 3,851,771</u> | <u>\$ 1,204,332</u> | <u>\$ 2,647,439</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ (745,120)</u> | <u>\$ (874,694)</u> | <u>\$ (550,482)</u> | <u>\$ 324,212</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | \$ - | \$ 9,301 | \$ 9,301 | \$ - |
| Transfers out | (25,001) | (25,001) | (25,000) | 1 |
| Issuance of general obligation bonds | - | - | - | - |
| Total other financing sources (uses) | <u>\$ (25,001)</u> | <u>\$ (15,700)</u> | <u>\$ (15,699)</u> | <u>\$ 1</u> |
| Net change in fund balances | \$ (770,121) | \$ (890,394) | \$ (566,181) | \$ 324,213 |
| Fund balances - beginning | - | 120,273 | 2,191,392 | 2,071,119 |
| Fund balances - ending | <u>\$ (770,121)</u> | <u>\$ (770,121)</u> | <u>\$ 1,625,211</u> | <u>\$ 2,395,332</u> |

Exhibit 12

| DF School Capital Projects Fund | | | |
|--|-----------------------|---------------------|---|
| Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
| Original | Final | | |
| \$ - | \$ - | \$ 2,516 | \$ 2,516 |
| - | - | - | - |
| - | - | - | - |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,516</u> | <u>\$ 2,516</u> |
| | | | |
| \$ - | \$ - | \$ - | \$ - |
| - | 1,530,000 | 223,019 | 1,306,981 |
| - | - | 3,923 | (3,923) |
| <u>\$ -</u> | <u>\$ 1,530,000</u> | <u>\$ 226,942</u> | <u>\$ 1,303,058</u> |
| | | | |
| <u>\$ -</u> | <u>\$ (1,530,000)</u> | <u>\$ (224,426)</u> | <u>\$ 1,305,574</u> |
| | | | |
| \$ - | \$ - | \$ - | \$ - |
| - | - | - | - |
| - | 1,530,000 | 1,530,000 | - |
| <u>\$ -</u> | <u>\$ 1,530,000</u> | <u>\$ 1,530,000</u> | <u>\$ -</u> |
| | | | |
| \$ - | \$ - | \$ 1,305,574 | \$ 1,305,574 |
| - | - | - | - |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,305,574</u> | <u>\$ 1,305,574</u> |

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2012

| | <u>Airport Fund</u> | <u>CSA Fund</u> | <u>Total</u> |
|---|-------------------------|---------------------|------------------|
| ASSETS | | | |
| Receivables (net of allowance for uncollectibles): | | | |
| Accounts receivable | \$ 15,259 | \$ 111 | \$ 15,370 |
| Due from other governmental units | - | 54,381 | 54,381 |
| Inventories | <u>2,231</u> | <u>-</u> | <u>2,231</u> |
| Total assets | <u>\$ 17,490</u> | <u>\$ 54,492</u> | <u>\$ 71,982</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable | \$ 138 | \$ 27,376 | \$ 27,514 |
| Due to other funds | <u>15,121</u> | <u>6,472</u> | <u>21,593</u> |
| Total liabilities | <u>\$ 15,259</u> | <u>\$ 33,848</u> | <u>\$ 49,107</u> |
| Fund balances: | | | |
| Nonspendable: | | | |
| Inventories | \$ 2,231 | - | \$ 2,231 |
| Restricted: | | | |
| CSA administration | <u>-</u> | <u>20,644</u> | <u>20,644</u> |
| Total fund balances | <u>\$ 2,231</u> | <u>\$ 20,644</u> | <u>\$ 22,875</u> |
| Total liabilities and fund balances | <u>\$ 17,490</u> | <u>\$ 54,492</u> | <u>\$ 71,982</u> |

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2012

| REVENUES | Airport Fund | CSA Fund | Total |
|---|-------------------------|---------------------|---------------------|
| Revenue from the use of money and property | \$ 2,700 | \$ - | \$ 2,700 |
| Charges for services | 7,097 | - | 7,097 |
| Miscellaneous | - | 16,532 | 16,532 |
| Recovered costs | 15,231 | - | 15,231 |
| Intergovernmental revenues: | | | |
| Commonwealth | 328 | 344,999 | 345,327 |
| Federal | - | 10,908 | 10,908 |
| Total revenues | <u>\$ 25,356</u> | <u>\$ 372,439</u> | <u>\$ 397,795</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Public works | \$ 52,442 | \$ - | \$ 52,442 |
| Health and welfare | - | 490,623 | 490,623 |
| Total expenditures | <u>\$ 52,442</u> | <u>\$ 490,623</u> | <u>\$ 543,065</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ (27,086)</u> | <u>\$ (118,184)</u> | <u>\$ (145,270)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | \$ 25,909 | \$ 119,889 | \$ 145,798 |
| Total other financing sources (uses) | <u>\$ 25,909</u> | <u>\$ 119,889</u> | <u>\$ 145,798</u> |
| Net change in fund balances | \$ (1,177) | \$ 1,705 | \$ 528 |
| Fund balances - beginning | 3,408 | 18,939 | 22,347 |
| Fund balances - ending | <u>\$ 2,231</u> | <u>\$ 20,644</u> | <u>\$ 22,875</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, 2012

| | 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 | \$ 2,700 | \$ 700 |
| Charges for services | 16,200 | 16,200 | 7,097 | (9,103) |
| Miscellaneous | - | - | - | - |
| Recovered costs | 16,885 | 16,885 | 15,231 | (1,654) |
| Intergovernmental revenues: | | | | |
| Commonwealth | - | - | 328 | 328 |
| Federal | - | - | - | - |
| Total revenues | <u>\$ 35,085</u> | <u>\$ 35,085</u> | <u>\$ 25,356</u> | <u>\$ (9,729)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public works | \$ 69,754 | \$ 69,754 | \$ 52,442 | \$ 17,312 |
| Health and welfare | - | - | - | - |
| Total expenditures | <u>\$ 69,754</u> | <u>\$ 69,754</u> | <u>\$ 52,442</u> | <u>\$ 17,312</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ (34,669)</u> | <u>\$ (34,669)</u> | <u>\$ (27,086)</u> | <u>\$ 7,583</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | \$ 34,669 | \$ 34,669 | \$ 25,909 | \$ (8,760) |
| Total other financing sources (uses) | <u>\$ 34,669</u> | <u>\$ 34,669</u> | <u>\$ 25,909</u> | <u>\$ (8,760)</u> |
| Net change in fund balances | \$ - | \$ - | \$ (1,177) | \$ (1,177) |
| Fund balances - beginning | - | - | 3,408 | 3,408 |
| Fund balances - ending | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 2,231</u></u> | <u><u>\$ 2,231</u></u> |

Exhibit 15

| CSA Fund | | | |
|-------------------------|-------------------|-------------------|---|
| Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
| Original | Final | | |
| \$ - | \$ - | \$ - | \$ - |
| - | - | - | - |
| 4,000 | 4,000 | 16,532 | 12,532 |
| - | - | - | - |
| 619,110 | 619,110 | 344,999 | (274,111) |
| 12,200 | 12,200 | 10,908 | (1,292) |
| <u>\$ 635,310</u> | <u>\$ 635,310</u> | <u>\$ 372,439</u> | <u>\$ (262,871)</u> |
| | | | |
| \$ - | \$ - | \$ - | \$ - |
| 888,360 | 888,360 | 490,623 | 397,737 |
| <u>\$ 888,360</u> | <u>\$ 888,360</u> | <u>\$ 490,623</u> | <u>\$ 397,737</u> |
| | | | |
| \$ (253,050) | \$ (253,050) | \$ (118,184) | \$ 134,866 |
| | | | |
| \$ 253,050 | \$ 253,050 | \$ 119,889 | \$ (133,161) |
| <u>\$ 253,050</u> | <u>\$ 253,050</u> | <u>\$ 119,889</u> | <u>\$ (133,161)</u> |
| | | | |
| \$ - | \$ - | \$ 1,705 | \$ 1,705 |
| - | - | 18,939 | 18,939 |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 20,644</u> | <u>\$ 20,644</u> |

Combining Statement of Fiduciary Net Assets
 Fiduciary Funds
 June 30, 2012

| | <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 | \$ 4,656 | \$ 3,576 | \$ 22,755 | \$ 30,987 |
| Total assets | <u>\$ 4,656</u> | <u>\$ 3,576</u> | <u>\$ 22,755</u> | <u>\$ 30,987</u> |
| LIABILITIES | | | | |
| Amounts held for social services clients | \$ 4,656 | \$ - | \$ - | \$ 4,656 |
| Amounts held for others | - | 3,576 | - | 3,576 |
| Escrow deposits payable | - | - | 22,755 | 22,755 |
| Total liabilities | <u>\$ 4,656</u> | <u>\$ 3,576</u> | <u>\$ 22,755</u> | <u>\$ 30,987</u> |

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 For the Year Ended June 30, 2012

| | <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 | \$ 46,034 | \$ 7,392 | \$ 48,770 | \$ 4,656 |
| Liabilities | | | | |
| Amounts held for social services clients | \$ 46,034 | \$ 7,392 | \$ 48,770 | \$ 4,656 |
| SHERIFF FUNDS: | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 6,141 | \$ 124,757 | \$ 127,322 | \$ 3,576 |
| Liabilities | | | | |
| Amounts held for others | \$ 6,141 | \$ 124,757 | \$ 127,322 | \$ 3,576 |
| 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 | \$ - | \$ 710,026 | \$ 710,026 | \$ - |
| Liabilities | | | | |
| Due to other funds | \$ - | \$ 710,026 | \$ 710,026 | \$ - |
| TOTALS - ALL AGENCY FUNDS: | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 74,930 | \$ 132,149 | \$ 176,092 | \$ 30,987 |
| Due from other governmental units | - | 710,026 | 710,026 | - |
| Total assets | <u>\$ 74,930</u> | <u>\$ 842,175</u> | <u>\$ 886,118</u> | <u>\$ 30,987</u> |
| Liabilities | | | | |
| Due to other funds | \$ - | \$ 710,026 | \$ 710,026 | \$ - |
| Amounts held for social services clients | 46,034 | 7,392 | 48,770 | 4,656 |
| Amounts held for others | 6,141 | 124,757 | 127,322 | 3,576 |
| Escrow deposits payable | 22,755 | - | - | 22,755 |
| Total liabilities | <u>\$ 74,930</u> | <u>\$ 842,175</u> | <u>\$ 886,118</u> | <u>\$ 30,987</u> |

Combining Balance Sheet
 Discretely Presented Component Unit - School Board
 June 30, 2012

| | <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 | \$ 901,388 | \$ 220,407 | \$ - | \$ 1,121,795 |
| Receivables (net of allowance for uncollectibles): | | | | |
| Accounts receivable | 16,255 | 5,394 | - | 21,649 |
| Due from other governmental units | <u>1,159,279</u> | <u>61,386</u> | <u>-</u> | <u>1,220,665</u> |
| Total assets | <u>\$ 2,076,922</u> | <u>\$ 287,187</u> | <u>\$ -</u> | <u>\$ 2,364,109</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 210,997 | \$ 8,947 | \$ - | \$ 219,944 |
| Accrued liabilities | <u>1,865,425</u> | <u>65,366</u> | <u>-</u> | <u>1,930,791</u> |
| Total liabilities | <u>\$ 2,076,422</u> | <u>\$ 74,313</u> | <u>\$ -</u> | <u>\$ 2,150,735</u> |
| Fund balances: | | | | |
| Committed: | | | | |
| Cafeteria operations | \$ - | \$ 212,874 | \$ - | \$ 212,874 |
| Unassigned: | | | | |
| School operations | <u>500</u> | <u>-</u> | <u>-</u> | <u>500</u> |
| Total fund balances | <u>\$ 500</u> | <u>\$ 212,874</u> | <u>\$ -</u> | <u>\$ 213,374</u> |
| Total liabilities and fund balances | <u>\$ 2,076,922</u> | <u>\$ 287,187</u> | <u>\$ -</u> | <u>\$ 2,364,109</u> |
| Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because: | | | | |
| Total fund balances per above | | | \$ | 213,374 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | | | |
| Land | | | \$ 25,822 | |
| Buildings and improvements | | | 5,616,302 | |
| Machinery, equipment, and vehicles | | | <u>1,256,766</u> | 6,898,890 |
| 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 | | | \$ (554,016) | |
| Other post employment benefits | | | <u>(193,386)</u> | <u>(747,402)</u> |
| Net assets of governmental activities | | | \$ | <u>6,364,862</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, 2012

| REVENUES | School Operating Fund | School Cafeteria Fund | School Capital Projects Fund | Total Governmental Funds |
|--|--------------------------------------|--------------------------------------|---|---|
| Revenue from the use of money and property | \$ 1,927 | \$ - | \$ - | \$ 1,927 |
| Charges for services | - | 232,161 | - | 232,161 |
| Miscellaneous | 488,532 | 4,586 | - | 493,118 |
| Intergovernmental revenues: | | | | |
| Local government | 5,275,391 | - | 273,454 | 5,548,845 |
| Commonwealth | 13,112,194 | 12,443 | - | 13,124,637 |
| Federal | 2,745,059 | 981,288 | - | 3,726,347 |
| Total revenues | <u>\$ 21,623,103</u> | <u>\$ 1,230,478</u> | <u>\$ 273,454</u> | <u>\$ 23,127,035</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Education | \$ 20,726,191 | \$ 1,233,458 | \$ - | \$ 21,959,649 |
| Capital projects | 896,912 | - | 273,454 | 1,170,366 |
| Total expenditures | <u>\$ 21,623,103</u> | <u>\$ 1,233,458</u> | <u>\$ 273,454</u> | <u>\$ 23,130,015</u> |
| Net change in fund balances | \$ - | \$ (2,980) | \$ - | \$ (2,980) |
| Fund balances - beginning | 500 | 215,854 | - | 216,354 |
| Fund balances - ending | <u>\$ 500</u> | <u>\$ 212,874</u> | <u>\$ -</u> | <u>\$ 213,374</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 \$ (2,980)

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 | \$ 91,645 | |
| Depreciation | (387,741) | |
| Adjustment for jointly owned assets | 434,778 | |
| Adjustment for jointly owned assets | <u>(166,787)</u> | (28,105) |

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

| | | |
|---------------------------------------|--------------|---------|
| Capital asset disposals | \$ (14,375) | |
| Depreciation adjustment for disposals | <u>9,650</u> | (4,725) |

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 | \$ 3,374 | |
| Other post employment benefits | <u>(64,629)</u> | (61,255) |

Change in net assets of governmental activities \$ (97,065)

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, 2012

| | School Operating Fund | | | |
|--|------------------------------|----------------------|----------------------|---|
| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
| | Original | Final | | |
| REVENUES | | | | |
| Revenue from the use of money and property | \$ 1,000 | \$ 1,000 | \$ 1,927 | \$ 927 |
| Charges for services | 4,500 | 4,500 | - | (4,500) |
| Miscellaneous | 452,500 | 452,500 | 488,532 | 36,032 |
| Intergovernmental revenues: | | | | |
| Local government | 4,592,672 | 5,278,661 | 5,275,391 | (3,270) |
| Commonwealth | 13,527,485 | 13,527,485 | 13,112,194 | (415,291) |
| Federal | 2,707,759 | 3,356,092 | 2,745,059 | (611,033) |
| Total revenues | <u>\$ 21,285,916</u> | <u>\$ 22,620,238</u> | <u>\$ 21,623,103</u> | <u>\$ (997,135)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Education | \$ 20,322,416 | \$ 21,513,345 | \$ 20,726,191 | \$ 787,154 |
| Capital projects | 963,500 | 1,106,893 | 896,912 | 209,981 |
| Total expenditures | <u>\$ 21,285,916</u> | <u>\$ 22,620,238</u> | <u>\$ 21,623,103</u> | <u>\$ 997,135</u> |
| Net change in fund balances | \$ - | \$ - | \$ - | \$ - |
| Fund balances - beginning | - | - | 500 | 500 |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 500</u> | <u>\$ 500</u> |

| School Cafeteria Fund | | | | School Capital Projects Fund | | | |
|-----------------------|---------------------|---------------------|--|------------------------------|-------------------|-------------------|--|
| Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
| Original | Final | | | Original | Final | | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 259,200 | 259,200 | 232,161 | (27,039) | - | - | - | - |
| - | 2,981 | 4,586 | 1,605 | - | - | - | - |
| - | - | - | - | 76,000 | 273,454 | 273,454 | - |
| 13,440 | 13,440 | 12,443 | (997) | - | - | - | - |
| 1,521,000 | 1,521,000 | 981,288 | (539,712) | - | - | - | - |
| <u>\$ 1,793,640</u> | <u>\$ 1,796,621</u> | <u>\$ 1,230,478</u> | <u>\$ (566,143)</u> | <u>\$ 76,000</u> | <u>\$ 273,454</u> | <u>\$ 273,454</u> | <u>\$ -</u> |
| | | | | | | | |
| \$ 1,217,640 | \$ 1,220,621 | \$ 1,233,458 | \$ (12,837) | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | 76,000 | 272,609 | 273,454 | (845) |
| <u>\$ 1,217,640</u> | <u>\$ 1,220,621</u> | <u>\$ 1,233,458</u> | <u>\$ (12,837)</u> | <u>\$ 76,000</u> | <u>\$ 272,609</u> | <u>\$ 273,454</u> | <u>\$ (845)</u> |
| | | | | | | | |
| \$ 576,000 | \$ 576,000 | \$ (2,980) | \$ (578,980) | \$ - | \$ 845 | \$ - | \$ (845) |
| - | - | 215,854 | 215,854 | - | - | - | - |
| <u>\$ 576,000</u> | <u>\$ 576,000</u> | <u>\$ 212,874</u> | <u>\$ (363,126)</u> | <u>\$ -</u> | <u>\$ 845</u> | <u>\$ -</u> | <u>\$ (845)</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, 2012

| 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 | \$ 4,825,000 | \$ 4,825,000 | \$ 4,930,432 | \$ 105,432 |
| Real and personal public service corporation taxes | 195,000 | 195,000 | 215,912 | 20,912 |
| Personal property taxes | 1,942,265 | 1,942,265 | 2,060,971 | 118,706 |
| Mobile home taxes | 41,000 | 41,000 | 42,098 | 1,098 |
| Machinery and tools taxes | 417,000 | 417,000 | 474,801 | 57,801 |
| Merchants capital taxes | 117,000 | 117,000 | 132,130 | 15,130 |
| Penalties | 90,000 | 90,000 | 106,412 | 16,412 |
| Interest | 45,000 | 45,000 | 62,393 | 17,393 |
| Total general property taxes | <u>\$ 7,672,265</u> | <u>\$ 7,672,265</u> | <u>\$ 8,025,149</u> | <u>\$ 352,884</u> |
| Other local taxes: | | | | |
| Local sales and use taxes | \$ 630,000 | \$ 630,000 | \$ 668,495 | \$ 38,495 |
| Consumers' utility taxes | 255,000 | 255,000 | 256,355 | 1,355 |
| Bank stock taxes | 15,000 | 15,000 | 25,807 | 10,807 |
| Franchise license taxes | 25,000 | 25,000 | 30,395 | 5,395 |
| Motor vehicle licenses | 342,000 | 342,000 | 335,031 | (6,969) |
| Taxes on recordation and wills | 65,000 | 65,000 | 88,068 | 23,068 |
| Utility consumption taxes | 45,000 | 45,000 | 43,742 | (1,258) |
| Hotel and motel room taxes | 7,500 | 7,500 | 19,185 | 11,685 |
| Total other local taxes | <u>\$ 1,384,500</u> | <u>\$ 1,384,500</u> | <u>\$ 1,467,078</u> | <u>\$ 82,578</u> |
| Permits, privilege fees, and regulatory licenses: | | | | |
| Animal licenses | \$ 27,000 | \$ 27,000 | \$ 25,238 | \$ (1,762) |
| Zoning application fees | 6,000 | 6,000 | 3,710 | (2,290) |
| Transfer fees | 800 | 800 | 623 | (177) |
| Permits and other licenses | 50,000 | 50,000 | 84,836 | 34,836 |
| Total permits, privilege fees, and regulatory licenses | <u>\$ 83,800</u> | <u>\$ 83,800</u> | <u>\$ 114,407</u> | <u>\$ 30,607</u> |
| Fines and forfeitures: | | | | |
| Court fines and forfeitures | \$ 400,000 | \$ 750,000 | \$ 769,235 | \$ 19,235 |
| Interest on court fines and forfeitures | - | - | 2,425 | 2,425 |
| Total fines and forfeitures | <u>400,000</u> | <u>750,000</u> | <u>771,660</u> | <u>21,660</u> |
| Revenue from use of money and property: | | | | |
| Revenue from use of money | \$ 125,000 | \$ 125,000 | \$ 185,481 | \$ 60,481 |
| Revenue from use of property | 22,600 | 22,600 | 22,600 | - |
| Total revenue from use of money and property | <u>\$ 147,600</u> | <u>\$ 147,600</u> | <u>\$ 208,081</u> | <u>\$ 60,481</u> |
| Charges for services: | | | | |
| Charges for law enforcement and traffic control | \$ 1,000 | \$ 1,000 | \$ 990 | \$ (10) |
| Charges for courthouse maintenance | 17,000 | 17,000 | 32,227 | 15,227 |
| Charges for court costs | 130,000 | 130,000 | 164,277 | 34,277 |
| Law library fees | 2,000 | 2,000 | 1,632 | (368) |
| Charges for Commonwealth's Attorney | 1,000 | 1,000 | 3,520 | 2,520 |

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2012 (Continued)

| Fund, Major and Minor Revenue Source | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|--|----------------------|----------------------|----------------------|--|
| General Fund: (Continued) | | | | |
| Revenue from local sources: (Continued) | | | | |
| Charges for services: (Continued) | | | | |
| Miscellaneous jail and inmate fees | \$ 5,000 | \$ 5,000 | \$ 6,129 | \$ 1,129 |
| Home incarceration program | 15,000 | 15,000 | 23,620 | 8,620 |
| Animal shelter fees | 100 | 100 | 155 | 55 |
| Charges for correction and detention | 20,000 | 20,000 | 25,500 | 5,500 |
| Charges for sanitation and waste removal | 160,000 | 160,000 | 151,774 | (8,226) |
| Charges for landfill host fees | 300,000 | 300,000 | 174,053 | (125,947) |
| Charges for planning and community development | 1,500 | 1,500 | 2,751 | 1,251 |
| Charges for off-track betting | 27,000 | 27,000 | 24,086 | (2,914) |
| Total charges for services | <u>\$ 679,600</u> | <u>\$ 679,600</u> | <u>\$ 610,714</u> | <u>\$ (68,886)</u> |
| Miscellaneous revenue: | | | | |
| Miscellaneous | \$ 15,000 | \$ 50,648 | \$ 129,791 | \$ 79,143 |
| Surplus funds/tax sales | - | - | 131,858 | 131,858 |
| Total miscellaneous revenue | <u>\$ 15,000</u> | <u>\$ 50,648</u> | <u>\$ 261,649</u> | <u>\$ 211,001</u> |
| Recovered costs: | | | | |
| Landfill inspection fees | \$ 150,000 | \$ 150,000 | \$ 136,004 | \$ (13,996) |
| Tax bills - Lawrenceville | 2,000 | 2,000 | 2,432 | 432 |
| School resource officer | 94,571 | 94,571 | 95,195 | 624 |
| Clerk of Circuit Court copy cost reimbursement | - | - | 2,819 | 2,819 |
| Total recovered costs | <u>\$ 246,571</u> | <u>\$ 246,571</u> | <u>\$ 236,450</u> | <u>\$ (10,121)</u> |
| Total revenue from local sources | <u>\$ 10,629,336</u> | <u>\$ 11,014,984</u> | <u>\$ 11,695,188</u> | <u>\$ 680,204</u> |
| Intergovernmental revenues: | | | | |
| Revenue from the Commonwealth: | | | | |
| Noncategorical aid: | | | | |
| Grantor's tax | \$ 15,000 | \$ 15,000 | \$ 32,160 | \$ 17,160 |
| Mobile home titling tax | 45,000 | 45,000 | 37,487 | (7,513) |
| Rolling stock tax | 9,000 | 9,000 | 8,544 | (456) |
| Motor vehicle rental tax | - | - | 95 | 95 |
| State recordation tax | 22,000 | 22,000 | 34,422 | 12,422 |
| Personal property tax relief funds | 1,355,735 | 1,355,735 | 1,355,736 | 1 |
| Communication taxes | 435,000 | 435,000 | 427,329 | (7,671) |
| Reduction in State Aid | (141,500) | (141,500) | (140,372) | 1,128 |
| Total noncategorical aid | <u>\$ 1,740,235</u> | <u>\$ 1,740,235</u> | <u>\$ 1,755,401</u> | <u>\$ 15,166</u> |
| Categorical aid: | | | | |
| Shared expenses: | | | | |
| Commonwealth's attorney | \$ 300,000 | \$ 300,000 | \$ 301,159 | \$ 1,159 |
| Sheriff | 1,390,000 | 1,390,000 | 1,397,909 | 7,909 |
| Commissioner of revenue | 80,000 | 80,000 | 80,496 | 496 |
| Treasurer | 78,000 | 78,000 | 78,215 | 215 |
| Registrar/electoral board | 42,000 | 49,249 | 43,980 | (5,269) |
| Clerk of the Circuit Court | 196,000 | 208,342 | 209,422 | 1,080 |
| Total shared expenses | <u>\$ 2,086,000</u> | <u>\$ 2,105,591</u> | <u>\$ 2,111,181</u> | <u>\$ 5,590</u> |

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2012 (Continued)

| Fund, Major and Minor Revenue Source | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|--|-----------------------------|-----------------------------|-----------------------------|---|
| General Fund: (Continued) | | | | |
| Intergovernmental revenues: (Continued) | | | | |
| Revenue from the Commonwealth: (Continued) | | | | |
| Categorical aid: (Continued) | | | | |
| Other categorical aid: | | | | |
| Emergency medical services - four for life | \$ 14,000 | \$ 15,439 | \$ 15,439 | \$ - |
| Fire program funds | 45,704 | 45,704 | 41,167 | (4,537) |
| Mini training grant | - | 2,315 | 2,315 | - |
| Litter control grant | 7,000 | 7,000 | 5,804 | (1,196) |
| Care of prisoners | 114,000 | 114,000 | 135,988 | 21,988 |
| Emergency management grant | - | 13,649 | 12,288 | (1,361) |
| Victim witness grant | 53,000 | 53,000 | 56,589 | 3,589 |
| PSAP - Phase II - Wireless | 70,000 | 70,000 | 73,079 | 3,079 |
| DMV license agent commission | 15,500 | 15,500 | 20,935 | 5,435 |
| Drug forfeiture funds | 35,000 | 35,000 | 22,823 | (12,177) |
| Arts Grant | 5,000 | 5,000 | 5,000 | - |
| Other grants | - | 1,587 | 1,587 | - |
| Total other categorical aid | <u>\$ 359,204</u> | <u>\$ 378,194</u> | <u>\$ 393,014</u> | <u>\$ 14,820</u> |
| Total categorical aid | <u>\$ 2,445,204</u> | <u>\$ 2,483,785</u> | <u>\$ 2,504,195</u> | <u>\$ 20,410</u> |
| Total revenue from the Commonwealth | <u>\$ 4,185,439</u> | <u>\$ 4,224,020</u> | <u>\$ 4,259,596</u> | <u>\$ 35,576</u> |
| Revenue from the federal government: | | | | |
| Categorical aid: | | | | |
| Bulletproof vest partnership grant | \$ - | \$ 6,930 | \$ 6,930 | \$ - |
| Office of Justice programs grant | - | 15,474 | 15,474 | - |
| Cost allocation plan | 25,000 | 25,000 | 44,238 | 19,238 |
| FEMA grant | - | 51,348 | 46,079 | (5,269) |
| DUI selective enforcement grant | 18,000 | 18,000 | 2,925 | (15,075) |
| Linx maintenance grant | - | 3,340 | 3,317 | (23) |
| Total categorical aid | <u>\$ 43,000</u> | <u>\$ 120,092</u> | <u>\$ 118,963</u> | <u>\$ (1,129)</u> |
| Total revenue from the federal government | <u>\$ 43,000</u> | <u>\$ 120,092</u> | <u>\$ 118,963</u> | <u>\$ (1,129)</u> |
| Total General Fund | <u><u>\$ 14,857,775</u></u> | <u><u>\$ 15,359,096</u></u> | <u><u>\$ 16,073,747</u></u> | <u><u>\$ 714,651</u></u> |
| Special Revenue Funds: | | | | |
| Virginia Public Assistance Fund: | | | | |
| Revenue from local sources: | | | | |
| Miscellaneous revenue: | | | | |
| Expenditure refunds | \$ - | \$ - | \$ 3,628 | \$ 3,628 |
| Total miscellaneous revenue | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,628</u> | <u>\$ 3,628</u> |
| Intergovernmental revenues: | | | | |
| Revenue from the Commonwealth: | | | | |
| Categorical aid: | | | | |
| Public assistance and welfare administration | \$ 700,563 | \$ 700,563 | \$ 609,846 | \$ (90,717) |
| Total revenue from the Commonwealth | <u>\$ 700,563</u> | <u>\$ 700,563</u> | <u>\$ 609,846</u> | <u>\$ (90,717)</u> |

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2012 (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) | | | | |
| Intergovernmental revenues: (Continued) | | | | |
| Revenue from the federal government: | | | | |
| Categorical aid: | | | | |
| Public assistance and welfare administration | \$ 1,008,311 | \$ 1,008,311 | \$ 967,567 | \$ (40,744) |
| Total revenue from the federal government | <u>\$ 1,008,311</u> | <u>\$ 1,008,311</u> | <u>\$ 967,567</u> | <u>\$ (40,744)</u> |
| Total Virginia Public Assistance Fund | <u>\$ 1,708,874</u> | <u>\$ 1,708,874</u> | <u>\$ 1,581,041</u> | <u>\$ (127,833)</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 | \$ 2,700 | \$ 700 |
| Charges for services: | | | | |
| Sale of fuel | \$ 16,200 | \$ 16,200 | \$ 7,097 | \$ (9,103) |
| Recovered costs: | | | | |
| Recovered costs - Lawrenceville | \$ 16,885 | \$ 16,885 | \$ 15,231 | \$ (1,654) |
| Total revenue from local sources | <u>\$ 35,085</u> | <u>\$ 35,085</u> | <u>\$ 25,028</u> | <u>\$ (10,057)</u> |
| Intergovernmental revenues: | | | | |
| Revenue from the Commonwealth: | | | | |
| Categorical aid: | | | | |
| Department of aviation grant | \$ - | \$ - | \$ 328 | \$ 328 |
| Total revenue from the Commonwealth | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 328</u> | <u>\$ 328</u> |
| Total Airport Commission Fund | <u>\$ 35,085</u> | <u>\$ 35,085</u> | <u>\$ 25,356</u> | <u>\$ (9,729)</u> |
| CSA Fund: | | | | |
| Revenue from local sources: | | | | |
| Miscellaneous revenue: | | | | |
| Expenditure refunds | \$ 4,000 | \$ 4,000 | \$ 16,274 | \$ 12,274 |
| Other miscellaneous | - | - | 258 | 258 |
| Total miscellaneous revenue | <u>\$ 4,000</u> | <u>\$ 4,000</u> | <u>\$ 16,532</u> | <u>\$ 12,532</u> |
| Intergovernmental revenues: | | | | |
| Revenue from the Commonwealth: | | | | |
| Categorical aid: | | | | |
| Comprehensive Services Act | \$ 617,560 | \$ 617,560 | \$ 343,617 | \$ (273,943) |
| PSSF grant | 1,550 | 1,550 | 1,382 | (168) |
| Total categorical aid | <u>\$ 619,110</u> | <u>\$ 619,110</u> | <u>\$ 344,999</u> | <u>\$ (274,111)</u> |
| Total revenue from the Commonwealth | <u>\$ 619,110</u> | <u>\$ 619,110</u> | <u>\$ 344,999</u> | <u>\$ (274,111)</u> |
| Revenue from the federal government: | | | | |
| Categorical aid: | | | | |
| PSSF grant | \$ 12,200 | \$ 12,200 | \$ 10,908 | \$ (1,292) |
| Total CSA Fund | <u>\$ 635,310</u> | <u>\$ 635,310</u> | <u>\$ 372,439</u> | <u>\$ (262,871)</u> |

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2012 (Continued)

| Fund, Major and Minor Revenue Source | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|--|----------------------|----------------------|----------------------|--|
| Debt Service Fund: | | | | |
| Revenue from local sources: | | | | |
| Revenue from use of money and property: | | | | |
| Revenue from the use of money | \$ 20,000 | \$ 20,000 | \$ 52,081 | \$ 32,081 |
| Intergovernmental revenues: | | | | |
| Revenue from the federal government: | | | | |
| Categorical aid: | | | | |
| Federal interest subsidy | \$ - | \$ 29,984 | \$ 29,984 | \$ - |
| Total Debt Service Fund | <u>\$ 20,000</u> | <u>\$ 49,984</u> | <u>\$ 82,065</u> | <u>\$ 32,081</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 | \$ 30,000 | \$ 30,000 | \$ 27,300 | \$ (2,700) |
| Total revenue from local sources | <u>\$ 30,000</u> | <u>\$ 30,000</u> | <u>\$ 27,300</u> | <u>\$ (2,700)</u> |
| Intergovernmental revenues: | | | | |
| Revenue from the Commonwealth: | | | | |
| Categorical aid: | | | | |
| E911 Wireless | \$ 150,000 | \$ 150,000 | \$ 150,000 | \$ - |
| Tobacco grant | 458,375 | 458,375 | 19,042 | (439,333) |
| Department of Aviation grant | 3,600 | 4,186 | 451 | (3,735) |
| Total categorical aid | <u>\$ 611,975</u> | <u>\$ 612,561</u> | <u>\$ 169,493</u> | <u>\$ (443,068)</u> |
| Total revenue from the Commonwealth | <u>\$ 611,975</u> | <u>\$ 612,561</u> | <u>\$ 169,493</u> | <u>\$ (443,068)</u> |
| Revenue from the federal government: | | | | |
| Categorical aid: | | | | |
| Community Development Block Grant | \$ 1,360,046 | \$ 1,380,037 | \$ 437,683 | \$ (942,354) |
| State Homeland Security Grant | - | - | 11,117 | 11,117 |
| Homeland Security Grant - Sheriff Response Vehicle | - | 316,000 | - | (316,000) |
| VDOT grant | - | 638,479 | 8,257 | (630,222) |
| Total categorical aid | <u>\$ 1,360,046</u> | <u>\$ 2,334,516</u> | <u>\$ 457,057</u> | <u>\$ (1,877,459)</u> |
| Total revenue from the federal government | <u>\$ 1,360,046</u> | <u>\$ 2,334,516</u> | <u>\$ 457,057</u> | <u>\$ (1,877,459)</u> |
| Total County Capital Improvements Fund | <u>\$ 2,002,021</u> | <u>\$ 2,977,077</u> | <u>\$ 653,850</u> | <u>\$ (2,323,227)</u> |
| DF School Capital Projects Fund: | | | | |
| Revenue from local sources: | | | | |
| Revenue from use of money and property: | | | | |
| Revenue from the use of money | \$ - | \$ - | \$ 2,516 | \$ 2,516 |
| Total revenue from local sources | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,516</u> | <u>\$ 2,516</u> |
| Total DF School Capital Projects Fund | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,516</u> | <u>\$ 2,516</u> |
| Total Primary Government | <u>\$ 19,259,065</u> | <u>\$ 20,765,426</u> | <u>\$ 18,791,014</u> | <u>\$ (1,974,412)</u> |

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2012 (Continued)

| Fund, Major and Minor Revenue Source | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|--|-----------------|--------------|--------------|--|
| Discretely Presented Component Unit - School Board: | | | | |
| School Operating Fund: | | | | |
| Revenue from local sources: | | | | |
| Revenue from use of money and property: | | | | |
| Revenue from the use of property | \$ 1,000 | \$ 1,000 | \$ 1,927 | \$ 927 |
| Charges for services: | | | | |
| Charges for education | \$ 4,500 | \$ 4,500 | \$ - | \$ (4,500) |
| Miscellaneous revenue: | | | | |
| E-Rate | \$ 220,000 | \$ 220,000 | \$ 223,866 | \$ 3,866 |
| Other miscellaneous | 232,500 | 232,500 | 264,666 | 32,166 |
| Total miscellaneous revenue | \$ 452,500 | \$ 452,500 | \$ 488,532 | \$ 36,032 |
| Total revenue from local sources | \$ 458,000 | \$ 458,000 | \$ 490,459 | \$ 32,459 |
| Intergovernmental revenues: | | | | |
| Revenues from local governments: | | | | |
| Contribution from County of Brunswick, Virginia | \$ 4,592,672 | \$ 5,278,661 | \$ 5,275,391 | \$ (3,270) |
| Total revenues from local governments | \$ 4,592,672 | \$ 5,278,661 | \$ 5,275,391 | \$ (3,270) |
| Revenue from the Commonwealth: | | | | |
| Categorical aid: | | | | |
| Share of state sales tax | \$ 2,126,759 | \$ 2,126,759 | \$ 2,168,876 | \$ 42,117 |
| Basic school aid | 6,530,536 | 6,530,536 | 6,318,769 | (211,767) |
| Remedial summer education | 65,612 | 65,612 | 65,279 | (333) |
| Regular foster care | 24,222 | 24,222 | 4,378 | (19,844) |
| Special education foster care | - | - | 12,322 | 12,322 |
| Adult secondary education | 13,590 | 13,590 | 7,859 | (5,731) |
| Gifted and talented | 66,902 | 66,902 | 65,424 | (1,478) |
| Remedial education | 370,872 | 370,872 | 362,674 | (8,198) |
| Enrollment loss | 180,319 | 180,319 | - | (180,319) |
| Special education | 943,906 | 943,906 | 923,041 | (20,865) |
| Textbook payment | 58,990 | 58,990 | 72,416 | 13,426 |
| Vocational standards of quality payments | 295,243 | 295,243 | 288,717 | (6,526) |
| Vocational education - equipment | - | - | 5,499 | 5,499 |
| Vocational occupational preparedness | 24,217 | 24,217 | 16,160 | (8,057) |
| Social security fringe benefits | 421,776 | 421,776 | 412,453 | (9,323) |
| Retirement fringe benefits | 382,507 | 382,507 | 374,052 | (8,455) |
| Group life fringe benefits | 15,998 | 15,998 | 15,645 | (353) |
| Early reading intervention | 39,771 | 39,771 | 35,352 | (4,419) |
| Homebound education | 25,122 | 25,122 | 17,409 | (7,713) |
| At risk payments | 561,002 | 561,002 | 548,189 | (12,813) |
| At risk payments - 4 year olds | 283,608 | 283,608 | 235,613 | (47,995) |

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2012 (Continued)

| Fund, Major and Minor Revenue Source | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|--|--------------------------|--------------------------|--------------------------|---|
| Discretely Presented Component Unit - School Board: (Continued) | | | | |
| School Operating Fund: (Continued) | | | | |
| Intergovernmental revenues: (Continued) | | | | |
| Revenue from the Commonwealth: (Continued) | | | | |
| Categorical aid: (Continued) | | | | |
| State disparity initiatives | \$ 476,079 | \$ 476,079 | \$ 483,735 | \$ 7,656 |
| Alternative education | 359,347 | 359,347 | 359,347 | - |
| Technology | 206,000 | 206,000 | 75,468 | (130,532) |
| Standards of Learning algebra readiness | 43,081 | 43,081 | 43,081 | - |
| Mentor teacher program | 1,616 | 1,616 | 281 | (1,335) |
| English as a second language | 10,410 | 10,410 | 9,609 | (801) |
| Supplemental support for school operating costs | - | - | 184,352 | 184,352 |
| Other state funds | - | - | 6,194 | 6,194 |
| Total categorical aid | <u>\$ 13,527,485</u> | <u>\$ 13,527,485</u> | <u>\$ 13,112,194</u> | <u>\$ (415,291)</u> |
| Total revenue from the Commonwealth | <u>\$ 13,527,485</u> | <u>\$ 13,527,485</u> | <u>\$ 13,112,194</u> | <u>\$ (415,291)</u> |
| Revenue from the federal government: | | | | |
| Categorical aid: | | | | |
| Title I | \$ 1,033,842 | \$ 1,252,324 | \$ 931,563 | \$ (320,761) |
| Title I - ARRA | - | 7,405 | 10,339 | 2,934 |
| Title VI-B, special education flow-through | 511,868 | 568,149 | 497,176 | (70,973) |
| Title VI-B, special education flow-through - ARRA | - | 219,339 | 219,339 | - |
| Vocational education | 55,000 | 55,000 | 49,002 | (5,998) |
| Title VI-B, special education pre-school | 11,897 | 14,273 | 11,329 | (2,944) |
| Title VI-B, special education pre-school - ARRA | - | 20,141 | 20,141 | - |
| Rural and low income schools | 53,000 | 53,000 | 30,112 | (22,888) |
| Title IV - 21st century learning grant | - | 4,742 | 21,097 | 16,355 |
| Title II, Part A | 183,052 | 220,397 | 130,424 | (89,973) |
| Title II, Part D | 8,100 | 9,397 | 4,287 | (5,110) |
| Title II, Part D - ARRA | - | - | 2,111 | 2,111 |
| Headstart | 100,000 | 116,657 | 105,807 | (10,850) |
| JROTC | 51,000 | 51,000 | 67,999 | 16,999 |
| Forest reserve fund | - | - | 25,618 | 25,618 |
| Education Jobs Fund | - | - | 8,473 | 8,473 |
| School Improvement Grants | 700,000 | 764,268 | 610,242 | (154,026) |
| Total categorical aid | <u>\$ 2,707,759</u> | <u>\$ 3,356,092</u> | <u>\$ 2,745,059</u> | <u>\$ (611,033)</u> |
| Total revenue from the federal government | <u>\$ 2,707,759</u> | <u>\$ 3,356,092</u> | <u>\$ 2,745,059</u> | <u>\$ (611,033)</u> |
| Total School Operating Fund | <u>\$ 21,285,916</u> | <u>\$ 22,620,238</u> | <u>\$ 21,623,103</u> | <u>\$ (997,135)</u> |

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2012 (Continued)

| Fund, Major and Minor Revenue Source | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|--|----------------------|----------------------|----------------------|---|
| Discretely Presented Component Unit - School Board: (Continued) | | | | |
| Special Revenue Fund: | | | | |
| School Cafeteria Fund: | | | | |
| Revenue from local sources: | | | | |
| Charges for services: | | | | |
| Cafeteria sales | \$ 259,200 | \$ 259,200 | \$ 232,161 | \$ (27,039) |
| Miscellaneous revenue: | | | | |
| Other miscellaneous | \$ - | \$ 2,981 | \$ 4,586 | \$ 1,605 |
| Total revenue from local sources | <u>\$ 259,200</u> | <u>\$ 262,181</u> | <u>\$ 236,747</u> | <u>\$ (25,434)</u> |
| Intergovernmental revenues: | | | | |
| Revenue from the Commonwealth: | | | | |
| Categorical aid: | | | | |
| School food program grant | \$ 13,440 | \$ 13,440 | \$ 12,443 | \$ (997) |
| Total categorical aid | <u>\$ 13,440</u> | <u>\$ 13,440</u> | <u>\$ 12,443</u> | <u>\$ (997)</u> |
| Total revenue from the Commonwealth | <u>\$ 13,440</u> | <u>\$ 13,440</u> | <u>\$ 12,443</u> | <u>\$ (997)</u> |
| Revenue from the federal government: | | | | |
| Categorical aid: | | | | |
| School food program grant | \$ 1,423,000 | \$ 1,423,000 | \$ 831,440 | \$ (591,560) |
| Fresh fruit and vegetables grant | 68,000 | 68,000 | 63,473 | (4,527) |
| Summer feeding program | 30,000 | 30,000 | 23,098 | (6,902) |
| Commodities | - | - | 57,105 | 57,105 |
| Equipment assistance grant | - | - | 6,172 | 6,172 |
| Total categorical aid | <u>\$ 1,521,000</u> | <u>\$ 1,521,000</u> | <u>\$ 981,288</u> | <u>\$ (539,712)</u> |
| Total School Cafeteria Fund | <u>\$ 1,793,640</u> | <u>\$ 1,796,621</u> | <u>\$ 1,230,478</u> | <u>\$ (566,143)</u> |
| Capital Projects Fund: | | | | |
| School Capital Improvements Fund: | | | | |
| Intergovernmental revenues: | | | | |
| Revenues from local governments: | | | | |
| Contribution from County of Brunswick, Virginia | \$ 76,000 | \$ 273,454 | \$ 273,454 | \$ - |
| Total School Capital Improvements Fund | <u>\$ 76,000</u> | <u>\$ 273,454</u> | <u>\$ 273,454</u> | <u>\$ -</u> |
| Total Discretely Presented Component Unit - School Board | <u>\$ 23,155,556</u> | <u>\$ 24,690,313</u> | <u>\$ 23,127,035</u> | <u>\$ (1,563,278)</u> |

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2012

| 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 | \$ 184,730 | \$ 228,019 | \$ 224,318 | \$ 3,701 |
| General and financial administration: | | | | |
| County administrator | \$ 260,379 | \$ 272,977 | \$ 261,846 | \$ 11,131 |
| Independent auditor | 28,500 | 28,500 | 28,500 | - |
| Commissioner of revenue | 208,969 | 208,969 | 207,403 | 1,566 |
| Reassessment | 104,066 | 143,697 | 142,996 | 701 |
| Equalization board | 20,000 | 20,000 | 11,481 | 8,519 |
| Treasurer | 236,441 | 236,441 | 236,036 | 405 |
| Finance department | 231,730 | 231,730 | 221,527 | 10,203 |
| DMV select | 15,500 | 20,506 | 19,669 | 837 |
| Total general and financial administration | <u>\$ 1,105,585</u> | <u>\$ 1,162,820</u> | <u>\$ 1,129,458</u> | <u>\$ 33,362</u> |
| Board of elections: | | | | |
| Electoral board and officials | \$ 34,676 | \$ 47,007 | \$ 47,007 | \$ - |
| Registrar | 85,170 | 80,088 | 76,821 | 3,267 |
| Total board of elections | <u>\$ 119,846</u> | <u>\$ 127,095</u> | <u>\$ 123,828</u> | <u>\$ 3,267</u> |
| Total general government administration | <u>\$ 1,410,161</u> | <u>\$ 1,517,934</u> | <u>\$ 1,477,604</u> | <u>\$ 40,330</u> |
| Judicial administration: | | | | |
| Courts: | | | | |
| Circuit court | \$ 30,235 | \$ 31,079 | \$ 31,079 | \$ - |
| General district court | 13,955 | 15,111 | 14,819 | 292 |
| Special magistrates | 1,698 | 1,698 | 1,402 | 296 |
| Clerk of the circuit court | 283,108 | 295,450 | 287,316 | 8,134 |
| Law library | 2,000 | 2,000 | 939 | 1,061 |
| Victim/witness assistance program | 65,651 | 65,651 | 65,525 | 126 |
| Courthouse security | 97,332 | 97,332 | 89,449 | 7,883 |
| Total courts | <u>\$ 493,979</u> | <u>\$ 508,321</u> | <u>\$ 490,529</u> | <u>\$ 17,792</u> |
| Commonwealth's attorney: | | | | |
| Commonwealth's attorney | \$ 405,458 | \$ 405,458 | \$ 405,238 | \$ 220 |
| Asset forfeiture | - | 25,000 | 15,403 | 9,597 |
| Total commonwealth's attorney | <u>\$ 405,458</u> | <u>\$ 430,458</u> | <u>\$ 420,641</u> | <u>\$ 9,817</u> |
| Total judicial administration | <u>\$ 899,437</u> | <u>\$ 938,779</u> | <u>\$ 911,170</u> | <u>\$ 27,609</u> |
| Public safety: | | | | |
| Law enforcement and traffic control: | | | | |
| Sheriff | \$ 1,506,993 | \$ 1,701,390 | \$ 1,713,712 | \$ (12,322) |
| Sheriff - line of duty | 22,050 | 22,050 | 22,050 | - |
| Asset forfeiture | 35,000 | 83,072 | 83,072 | - |
| E911 system | 585,542 | 560,116 | 556,918 | 3,198 |
| School resource officer | 95,195 | 95,195 | 95,013 | 182 |
| Total law enforcement and traffic control | <u>\$ 2,244,780</u> | <u>\$ 2,461,823</u> | <u>\$ 2,470,765</u> | <u>\$ (8,942)</u> |

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2012 (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 | \$ 311,647 | \$ 304,776 | \$ 6,871 |
| Medflight program | 770 | 770 | 770 | - |
| Division of forestry | 23,133 | 23,133 | 23,133 | - |
| Total fire and rescue services | <u>\$ 320,505</u> | <u>\$ 335,550</u> | <u>\$ 328,679</u> | <u>\$ 6,871</u> |
| Correction and detention: | | | | |
| Sheriff | \$ 1,924,208 | \$ 2,472,947 | \$ 2,472,945 | \$ 2 |
| VJCCCA | 635 | 635 | 635 | - |
| Probation office | 49,514 | 67,235 | 67,234 | 1 |
| Home incarceration program | 15,000 | 15,000 | 9,153 | 5,847 |
| Total correction and detention | <u>\$ 1,989,357</u> | <u>\$ 2,555,817</u> | <u>\$ 2,549,967</u> | <u>\$ 5,850</u> |
| Inspections: | | | | |
| Building | \$ 111,271 | \$ 111,271 | \$ 104,574 | \$ 6,697 |
| Total inspections | <u>\$ 111,271</u> | <u>\$ 111,271</u> | <u>\$ 104,574</u> | <u>\$ 6,697</u> |
| Other protection: | | | | |
| Animal control | \$ 127,301 | \$ 127,301 | \$ 125,959 | \$ 1,342 |
| Medical examiner | 270 | 270 | 160 | 110 |
| Emergency services | 8,196 | 8,196 | 8,196 | - |
| Total other protection | <u>\$ 135,767</u> | <u>\$ 135,767</u> | <u>\$ 134,315</u> | <u>\$ 1,452</u> |
| Total public safety | <u>\$ 4,801,680</u> | <u>\$ 5,600,228</u> | <u>\$ 5,588,300</u> | <u>\$ 11,928</u> |
| Public works: | | | | |
| Maintenance of highways, streets, bridges and sidewalks: | | | | |
| Highways, streets, bridges and sidewalks | \$ 25,001 | \$ 25,001 | \$ 25,000 | \$ 1 |
| Sanitation and waste removal: | | | | |
| Refuse collection and disposal | \$ 709,182 | \$ 717,291 | \$ 717,278 | \$ 13 |
| Litter control | 7,000 | 7,069 | 5,873 | 1,196 |
| Inmate litter control | 36,335 | 37,597 | 37,596 | 1 |
| Lake Gaston weed control | 29,315 | 29,315 | 29,315 | - |
| Total sanitation and waste removal | <u>\$ 781,832</u> | <u>\$ 791,272</u> | <u>\$ 790,062</u> | <u>\$ 1,210</u> |
| Maintenance of general buildings and grounds: | | | | |
| General properties | \$ 257,293 | \$ 331,395 | \$ 331,395 | \$ - |
| Courthouse maintenance | 17,000 | 61,550 | 57,938 | 3,612 |
| General engineering/administration | 160,283 | 147,683 | 147,606 | 77 |
| Total maintenance of general buildings and grounds | <u>\$ 434,576</u> | <u>\$ 540,628</u> | <u>\$ 536,939</u> | <u>\$ 3,689</u> |
| Total public works | <u>\$ 1,241,409</u> | <u>\$ 1,356,901</u> | <u>\$ 1,352,001</u> | <u>\$ 4,900</u> |

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2012 (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 | \$ 94,178 | \$ 94,178 | \$ 94,178 | \$ - |
| Mental health and mental retardation: | | | | |
| Southside Community Services Board | \$ 43,488 | \$ 43,488 | \$ 43,488 | \$ - |
| Welfare: | | | | |
| Local area on aging | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ - |
| Southside senior citizens center | 3,848 | 3,848 | 3,848 | - |
| Total welfare | \$ 6,348 | \$ 6,348 | \$ 6,348 | \$ - |
| Total health and welfare | \$ 144,014 | \$ 144,014 | \$ 144,014 | \$ - |
| Education: | | | | |
| Other instructional costs: | | | | |
| Contributions to Southside Virginia Community College | \$ 3,676 | \$ 3,676 | \$ 3,676 | \$ - |
| Contribution to County School Board | 4,592,672 | 5,418,747 | 5,415,477 | 3,270 |
| Headstart program | 38,475 | 38,475 | 38,475 | - |
| Total education | \$ 4,634,823 | \$ 5,460,898 | \$ 5,457,628 | \$ 3,270 |
| Parks, recreation, and cultural: | | | | |
| Parks and recreation: | | | | |
| Recreation youth league | \$ 12,505 | \$ 12,505 | \$ 12,505 | \$ - |
| Water safety council | 3,501 | 16,165 | 5,735 | 10,430 |
| Total parks and recreation | \$ 16,006 | \$ 28,670 | \$ 18,240 | \$ 10,430 |
| Cultural enrichment: | | | | |
| Historical society | \$ 900 | \$ 900 | \$ 900 | \$ - |
| Chamber of commerce | 3,159 | 3,159 | 3,159 | - |
| Tourism association | 38,102 | 38,602 | 38,102 | 500 |
| Total cultural enrichment | \$ 42,161 | \$ 42,661 | \$ 42,161 | \$ 500 |
| Library: | | | | |
| Contribution to regional library | \$ 180,592 | \$ 180,592 | \$ 180,592 | \$ - |
| Total parks, recreation, and cultural | \$ 238,759 | \$ 251,923 | \$ 240,993 | \$ 10,930 |
| Community development: | | | | |
| Planning and community development: | | | | |
| Planning | \$ 172,392 | \$ 172,392 | \$ 158,243 | \$ 14,149 |
| Industrial development authority | 73,872 | 73,872 | 73,872 | - |
| Regional planning commission | 27,964 | 27,964 | 25,131 | 2,833 |
| 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, 2012 (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 | \$ 3,501 | \$ 3,501 | \$ 3,501 | \$ - |
| Mecklenburg - regional airport | 5,000 | 5,000 | 5,000 | - |
| Art bank | 10,000 | 10,000 | 10,000 | - |
| Alberta TEA-21 matching funds | 12,500 | 12,500 | 12,500 | - |
| Total planning and community development | <u>\$ 310,229</u> | <u>\$ 310,229</u> | <u>\$ 293,247</u> | <u>\$ 16,982</u> |
| Environmental management: | | | | |
| Contribution to soil and water district | \$ 11,543 | \$ 11,543 | \$ 11,543 | \$ - |
| Cooperative extension program: | | | | |
| Extension office | \$ 58,260 | \$ 59,847 | \$ 56,548 | \$ 3,299 |
| Total community development | <u>\$ 380,032</u> | <u>\$ 381,619</u> | <u>\$ 361,338</u> | <u>\$ 20,281</u> |
| Capital projects: | | | | |
| Other capital projects | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$ - |
| Total capital projects | <u>\$ 7,500</u> | <u>\$ 7,500</u> | <u>\$ 7,500</u> | <u>\$ -</u> |
| Debt service: | | | | |
| Principal retirement | \$ 299,436 | \$ 303,706 | \$ 304,712 | \$ (1,006) |
| Interest and other fiscal charges | 66,957 | 68,368 | 68,624 | (256) |
| Total debt service | <u>\$ 366,393</u> | <u>\$ 372,074</u> | <u>\$ 373,336</u> | <u>\$ (1,262)</u> |
| Total General Fund | <u>\$ 14,124,208</u> | <u>\$ 16,031,870</u> | <u>\$ 15,913,884</u> | <u>\$ 117,986</u> |
| Special Revenue Funds: | | | | |
| Virginia Public Assistance Fund: | | | | |
| Health and welfare: | | | | |
| Welfare and social services: | | | | |
| Welfare administration | \$ 1,456,756 | \$ 1,456,756 | \$ 1,440,960 | \$ 15,796 |
| Public assistance | 575,602 | 575,602 | 427,538 | 148,064 |
| Total welfare and social services | <u>\$ 2,032,358</u> | <u>\$ 2,032,358</u> | <u>\$ 1,868,498</u> | <u>\$ 163,860</u> |
| Total Virginia Public Assistance Fund | <u>\$ 2,032,358</u> | <u>\$ 2,032,358</u> | <u>\$ 1,868,498</u> | <u>\$ 163,860</u> |
| Airport Commission Fund: | | | | |
| Public works: | | | | |
| Maintenance of general buildings and grounds | \$ 69,754 | \$ 69,754 | \$ 52,442 | \$ 17,312 |
| Total Airport Commission Fund | <u>\$ 69,754</u> | <u>\$ 69,754</u> | <u>\$ 52,442</u> | <u>\$ 17,312</u> |

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2012 (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 | \$ 888,360 | \$ 888,360 | \$ 490,623 | \$ 397,737 |
| Total CSA Fund | <u>\$ 888,360</u> | <u>\$ 888,360</u> | <u>\$ 490,623</u> | <u>\$ 397,737</u> |
| Debt Service Fund: | | | | |
| Debt service: | | | | |
| Principal retirement | \$ 727,112 | \$ 727,112 | \$ 591,878 | \$ 135,234 |
| Interest and other fiscal charges | 321,412 | 351,396 | 404,585 | (53,189) |
| Total Debt Service Fund | <u>\$ 1,048,524</u> | <u>\$ 1,078,508</u> | <u>\$ 996,463</u> | <u>\$ 82,045</u> |
| Capital Projects Funds: | | | | |
| County Capital Improvements Fund: | | | | |
| Education: | | | | |
| County contribution to component unit school board | \$ 76,000 | \$ 133,368 | \$ 133,368 | \$ - |
| Capital projects: | | | | |
| Sheriff's vehicle/equipment | \$ 105,922 | \$ 421,922 | \$ 103,607 | \$ 318,315 |
| Triplet convenience center | - | 3,620 | (3,621) | 7,241 |
| E911 communications center | 150,000 | 150,000 | 149,950 | 50 |
| Fire and rescue services | 254,315 | 262,664 | 258,528 | 4,136 |
| Building inspector | - | 24,442 | 24,362 | 80 |
| Fort Christanna preservation | 5,000 | 5,000 | 5,000 | - |
| Runway - taxiway & apron rehab | 3,600 | 4,637 | 4,637 | - |
| Simmons Drive CDBG grant | 1,186,569 | 1,186,569 | 289,589 | 896,980 |
| Silver Trail housing project | 477,360 | 512,704 | 166,772 | 345,932 |
| Urgent needs project - CDBG grant | - | 19,991 | 19,991 | - |
| Narrowbanding | 30,000 | 30,000 | 22,140 | 7,860 |
| Byways Visitor Center - TICC | 458,375 | 458,375 | 21,630 | 436,745 |
| Byways Visitor Center - NSBP | - | 638,479 | 8,379 | 630,100 |
| Total capital projects | <u>\$ 2,671,141</u> | <u>\$ 3,718,403</u> | <u>\$ 1,070,964</u> | <u>\$ 2,647,439</u> |
| Total County Capital Improvements Fund | <u>\$ 2,747,141</u> | <u>\$ 3,851,771</u> | <u>\$ 1,204,332</u> | <u>\$ 2,647,439</u> |
| DF School Capital Projects Fund: | | | | |
| Capital projects: | | | | |
| Roofing upgrades and canopies | \$ - | \$ - | \$ 30,601 | \$ (30,601) |
| HVAC units | - | - | 182,779 | (182,779) |
| Other renovations and upgrades | - | 1,530,000 | 9,639 | 1,520,361 |
| Total capital projects | <u>\$ -</u> | <u>\$ 1,530,000</u> | <u>\$ 223,019</u> | <u>\$ 1,306,981</u> |
| Debt service: | | | | |
| Issuance costs | \$ - | \$ - | \$ 3,923 | \$ (3,923) |
| Total debt service | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,923</u> | <u>\$ (3,923)</u> |
| Total DF School Capital Projects Fund | <u>\$ -</u> | <u>\$ 1,530,000</u> | <u>\$ 226,942</u> | <u>\$ 1,303,058</u> |
| Total Primary Government | <u>\$ 20,910,345</u> | <u>\$ 25,482,621</u> | <u>\$ 20,753,184</u> | <u>\$ 4,729,437</u> |

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2012 (Continued)

| Fund, Function, Activity and Elements | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|--|----------------------|----------------------|----------------------|--|
| Discretely Presented Component Unit - School Board: | | | | |
| School Operating Fund: | | | | |
| Education: | | | | |
| Instruction costs: | | | | |
| Elementary and secondary schools | \$ 11,599,759 | \$ 12,273,791 | \$ 11,050,117 | \$ 1,223,674 |
| Guidance services | 353,209 | 353,209 | 345,823 | 7,386 |
| Homebound instruction | - | - | 33,979 | (33,979) |
| Other instructional costs | 2,103,115 | 2,531,167 | 3,021,136 | (489,969) |
| Media services | 345,718 | 345,718 | 275,807 | 69,911 |
| Office of the principal | 1,066,276 | 1,066,276 | 1,064,590 | 1,686 |
| Total instruction costs | <u>\$ 15,468,077</u> | <u>\$ 16,570,161</u> | <u>\$ 15,791,452</u> | <u>\$ 778,709</u> |
| Operating costs: | | | | |
| Administration, attendance and health services | \$ 756,410 | \$ 756,410 | \$ 705,707 | \$ 50,703 |
| Pupil transportation | 1,801,689 | 1,890,534 | 1,925,062 | (34,528) |
| Operation and maintenance of school plant | 2,296,240 | 2,296,240 | 2,303,584 | (7,344) |
| School food service and other non-instructional | - | - | 386 | (386) |
| Total operating costs | <u>\$ 4,854,339</u> | <u>\$ 4,943,184</u> | <u>\$ 4,934,739</u> | <u>\$ 8,445</u> |
| Total education | <u>\$ 20,322,416</u> | <u>\$ 21,513,345</u> | <u>\$ 20,726,191</u> | <u>\$ 787,154</u> |
| Capital projects: | | | | |
| Technology | \$ 963,500 | \$ 1,106,893 | \$ 896,912 | \$ 209,981 |
| Total capital projects | <u>\$ 963,500</u> | <u>\$ 1,106,893</u> | <u>\$ 896,912</u> | <u>\$ 209,981</u> |
| Total School Operating Fund | <u>\$ 21,285,916</u> | <u>\$ 22,620,238</u> | <u>\$ 21,623,103</u> | <u>\$ 997,135</u> |
| Special Revenue Fund: | | | | |
| School Cafeteria Fund: | | | | |
| Education: | | | | |
| School food services: | | | | |
| Administration of school food program | \$ 1,217,640 | \$ 1,220,621 | \$ 1,233,458 | \$ (12,837) |
| Total school food services | <u>\$ 1,217,640</u> | <u>\$ 1,220,621</u> | <u>\$ 1,233,458</u> | <u>\$ (12,837)</u> |
| Total School Cafeteria Fund | <u>\$ 1,217,640</u> | <u>\$ 1,220,621</u> | <u>\$ 1,233,458</u> | <u>\$ (12,837)</u> |
| School Capital Projects Fund: | | | | |
| Capital projects: | | | | |
| Transportation | \$ 76,000 | \$ 76,000 | \$ 76,845 | \$ (845) |
| Building services | - | 196,609 | 196,609 | - |
| Total School Capital Projects Fund | <u>\$ 76,000</u> | <u>\$ 272,609</u> | <u>\$ 273,454</u> | <u>\$ (845)</u> |
| Total Discretely Presented Component Unit - School Board | <u>\$ 22,579,556</u> | <u>\$ 24,113,468</u> | <u>\$ 23,130,015</u> | <u>\$ 983,453</u> |

Statistical Information

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COUNTY OF BRUNSWICK, VIRGINIA

Table 1

Government-Wide Expenses by Function
Last Ten Fiscal Years

| 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 | |
| 2010-11 | 1,515,442 | 894,951 | 5,981,996 | 1,280,851 | 2,643,064 | 5,569,047 | 250,217 | 1,147,135 | 532,083 | 19,814,786 | |
| 2011-12 | 1,667,583 | 908,493 | 6,640,400 | 1,309,329 | 2,532,222 | 6,023,084 | 300,369 | 838,812 | 485,231 | 20,705,523 | |

COUNTY OF BRUNSWICK, VIRGINIA

Government-Wide Revenues
Last Ten Fiscal Years

| Fiscal Year | PROGRAM REVENUES | | | | GENERAL REVENUES | | | | Total |
|-------------|----------------------|------------------------------------|----------------------------------|------------------------|-----------------------|----------------------------------|---------------|--|---------------|
| | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | General Property Taxes | Other Local Taxes (2) | Unrestricted Investment Earnings | Miscellaneous | Grants and Contributions Not Restricted to Specific Programs (1) | |
| 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 |
| 2010-11 | 1,635,484 | 4,778,782 | 919,646 | 8,046,938 | 1,412,931 | 312,468 | 50,387 | 1,744,141 | 18,900,777 |
| 2011-12 | 1,503,878 | 4,718,374 | 494,966 | 8,010,380 | 1,467,078 | 292,678 | 281,809 | 1,755,401 | 18,524,564 |

(1) 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 | | | | | | | | | | 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 Service | |
| 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 |
| 2010-11 | 1,348,003 | 896,962 | 5,574,081 | 1,348,001 | 2,631,734 | 24,699,739 | 218,762 | 324,396 | - | 1,397,425 | 38,439,103 |
| 2011-12 | 1,477,604 | 911,170 | 5,588,300 | 1,404,443 | 2,503,135 | 22,001,800 | 240,993 | 361,338 | - | 1,373,722 | 35,862,505 |

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

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

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 |
|-------------|------------------------|--------------|-----------------------|------------|--|--------------|-----------------------|------------|--|---------------|----------------------|--|---------------|--|-----------------|--|---------------------------|--|-------|
| | | | | | | | | | | | | | | | | | | | |
| 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 | | | | | | | | | |
| 2010-11 | 7,995,039 | 1,412,931 | 76,377 | 635,918 | 310,585 | 1,148,754 | 642,979 | 253,204 | 25,462,062 | 37,937,849 | | | | | | | | | |
| 2011-12 | 8,025,149 | 1,467,078 | 114,407 | 771,660 | 264,789 | 849,972 | 774,927 | 251,681 | 23,193,175 | 35,712,838 | | | | | | | | | |

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

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

(3) 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 | |
|-------------|--------------------|-----------|-----------------------------|-----------|---------------------------|----|--------------------------------|----|-----------------------|--------|--|---------|------------------------------------|--|---|--|
| | | | | | | | | | | | | | | | | |
| 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% | | | |
| 2010-11 | | 9,261,403 | | 9,083,454 | 98.08% | | 109,938 | | 9,193,392 | 99.27% | | 373,747 | 4.04% | | | |
| 2011-12 | | 9,300,497 | | 9,073,096 | 97.55% | | 138,985 | | 9,212,081 | 99.05% | | 366,258 | 3.94% | | | |

(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 |
|-------------|-----------------|-------------------|---------------|---------------------|-------------------|--------------------|-------|
| | | Real Estate (1) | Homes (1) | | | | |
| 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 | |
| 2010-11 | 1,263,512,522 | 112,972,160 | 14,783,740 | 10,413,170 | 51,317,760 | 1,452,999,352 | |
| 2011-12 | 1,270,891,564 | 113,532,430 | 13,964,740 | 10,930,340 | 55,063,974 | 1,464,383,048 | |

(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 | |
|-------------|-------------|------|--------------|------|-------------------|------|---------------------|------|--------------------|------|
| | | | | | | | | | | |
| 2002-03 | \$ | 0.50 | \$ | 0.50 | \$ | 3.40 | \$ | 3.40 | \$ | 1.20 |
| 2003-04 | | 0.50 | | 0.50 | | 3.40 | | 3.40 | | 1.20 |
| 2004-05 | | 0.60 | | 0.60 | | 3.40 | | 3.40 | | 1.20 |
| 2005-06 | | 0.60 | | 0.60 | | 3.40 | | 3.40 | | 1.20 |
| 2006-07 | | 0.39 | | 0.39 | | 3.40 | | 3.40 | | 1.20 |
| 2007-08 | | 0.39 | | 0.39 | | 3.40 | | 3.40 | | 1.20 |
| 2008-09 | | 0.39 | | 0.39 | | 3.40 | | 3.40 | | 1.20 |
| 2009-10 | | 0.39 | | 0.39 | | 3.40 | | 3.40 | | 1.20 |
| 2010-11 | | 0.39 | | 0.39 | | 3.40 | | 3.40 | | 1.20 |
| 2011-12 | | 0.39 | | 0.39 | | 3.40 | | 3.40 | | 1.20 |

(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 Net Bonded Debt to Assessed Value | Net Bonded Debt per Capita |
|-------------|----------------|-----------------------------------|-----------------------|-------------------------------|------------|-----------------|--|----------------------------|
| | | | | Debt Service Monies Available | | | | |
| 2002-03 | 18,600 | 793,672 \$ | 1,334,544 | - \$ | 1,334,544 | 0.17% | 72 | |
| 2003-04 | 18,300 | 802,473 | 5,801,674 | - | 5,801,674 | 0.72% | 317 | |
| 2004-05 | 18,300 | 813,405 | 6,440,777 | - | 6,440,777 | 0.79% | 352 | |
| 2005-06 | 18,222 | 834,196 | 6,188,503 | - | 6,188,503 | 0.74% | 340 | |
| 2006-07 | 18,636 | 1,386,879 | 11,694,753 | - | 11,694,753 | 0.84% | 628 | |
| 2007-08 | 18,516 | 1,418,533 | 10,945,036 | - | 10,945,036 | 0.77% | 591 | |
| 2008-09 | 18,263 | 1,439,561 | 10,160,699 | - | 10,160,699 | 0.71% | 556 | |
| 2009-10 | 18,505 | 1,448,648 | 9,352,824 | - | 9,352,824 | 0.65% | 505 | |
| 2010-11 | 17,434 | 1,452,999 | 8,520,159 | - | 8,520,159 | 0.59% | 489 | |
| 2011-12 | 17,400 | 1,464,383 | 9,191,681 | - | 9,191,681 | 0.63% | 528 | |

(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 lease, QZABs, and compensated absences.

Compliance

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**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, 2012, which collectively comprise the County of Brunswick, Virginia's basic financial statements and have issued our report thereon dated December 26, 2012. 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

Management of County of Brunswick, Virginia is responsible for establishing and maintaining effective 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 County of Brunswick, Virginia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Brunswick'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 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 County of Brunswick, Virginia, in a separate letter dated December 26, 2012.

This report is intended solely for the information and use of the Board of Supervisors, management, others within the entity, 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
December 26, 2012

Independent Auditors' 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

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

Compliance

We have audited County of Brunswick, Virginia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of County of Brunswick Virginia's major federal programs for the year ended June 30, 2012. 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, 2012.

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 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, 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

December 26, 2012

COUNTY OF BRUNSWICK, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

| 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: | | | |
| Head Start | 93.600 | Unknown | \$ 105,807 |
| Department of Social Services: | | | |
| Promoting Safe and Stable Families | 93.556 | 950112 | 10,908 |
| Temporary Assistance for Needy Families (TANF) | 93.558 | 0400111/0400112 | 215,603 |
| Refugee and Entrant Assistance - State Administered Programs | 93.566 | 0500111/0500112 | 350 |
| Low-Income Home Energy Assistance | 93.568 | 0600411/0600412 | 26,022 |
| Child Care and Development Block Grant (CCDF Cluster) | 93.575 | 0770111/0770112 | 36,340 |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF Cluster) | 93.596 | 0760111/0760112 | 43,669 |
| Chafee Education and Training Vouchers Program | 93.599 | 9160111/9160112 | 8,980 |
| Stephanie Tubbs Jones Child Welfare Services Program | 93.645 | 0900111/0900112 | 617 |
| Foster Care - Title IV-E | 93.658 | 1100111/ 1100112 | 56,608 |
| Adoption Assistance | 93.659 | 1120111/1120112 | 36,309 |
| Social Services Block Grant | 93.667 | 1000111/1000112 | 153,517 |
| Chafee Foster Care Independence Program | 93.674 | 9150111/ 9150112 | 2,266 |
| Children's Health Insurance Program | 93.767 | 0540111/0540112 | 7,498 |
| Medical Assistance Program | 93.778 | 1200111/1200112 | <u>157,503</u> |
| Total Department of Health and Human Services | | | <u>\$ 861,997</u> |
| Department of Agriculture: | | | |
| Pass Through Payments: | | | |
| Department of Agriculture: | | | |
| Food Distribution (Child Nutrition Cluster) | 10.555 | 406230 | \$ 56,647 |
| Department of Education: | | | |
| National School Lunch Program (Child Nutrition Cluster) | 10.555 | 406230 | <u>598,666</u> \$ 655,313 |
| Department of Agriculture: | | | |
| Food Distribution--Summer Feeding Program (Child Nutrition Cluster) | 10.559 | Unknown | \$ 458 |
| Department of Education: | | | |
| Summer Food Service Program for Children (Child Nutrition Cluster) | 10.559 | Unknown | <u>23,098</u> 23,556 |
| Department of Education: | | | |
| School Breakfast Program (Child Nutrition Cluster) | 10.553 | 405910 | 232,774 |
| ARRA - CNP RA - NSLP Equipment | 10.579 | 405990 | 6,172 |
| Fresh Fruit and Vegetable Program | 10.582 | 405990 | 63,473 |
| Department of Social Services: | | | |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | 0010111/ 0010112/0040111/ 0040112/0050111/0050112 | <u>266,524</u> |
| Total Department of Agriculture | | | <u>\$ 1,247,812</u> |

COUNTY OF BRUNSWICK, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2012

| 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>67,999</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>437,682</u> |
| Department of Justice: | | | |
| Direct payments: | | | |
| Bulletproof Vest Partnership Program | 16.607 | N/A | \$ 6,930 |
| Department of Treasury, DHS: | | | |
| Federal Equitable Sharing Program | 16.000 | N/A | 12,719 |
| Pass Through Payments: | | | |
| Department of Criminal Justice Services: Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program | 16.580 | 10SBB90054 | <u>15,474</u> |
| Total Department of Justice | | | \$ <u>35,123</u> |
| Department of Homeland Security: | | | |
| Pass Through Payments: | | | |
| Department of Emergency Services: Disaster Grants - Public Assistance (Presidentially Declared Disasters) State Homeland Security Program (SHSP) | 97.036 97.073 | 25-99025-00 10-A6152HS08 | \$ 46,079 <u>14,434</u> |
| Total Department of Homeland Security | | | \$ <u>60,513</u> |
| Department of Transportation: | | | |
| Pass Through Payments: | | | |
| Department of Motor Vehicles: | | | |
| Alcohol Open Container Requirements | 20.607 | 154AL-2010-50235-3855 & 154AL-2011-5131-4255 | \$ 2,925 |
| Department of Transportation: Highway Planning and Construction | 20.205 | SB10-012-VA1 | <u>8,257</u> |
| Total Department of Transportation | | | \$ <u>11,182</u> |
| Department of Education: | | | |
| Pass Through Payments: | | | |
| Department of Education: | | | |
| Title I - Grants to Local Educational Agencies (Title I, Part A Cluster) | 84.010 | 429010/482920 | \$ 931,563 |
| Special Education - Grants to States (IDEA, Part B) (Special Education Cluster) | 84.027 | 430710 | 497,176 |
| Career and Technical Education - Basic Grants to States (Perkins IV) | 84.048 | 610950 | 49,002 |
| Special Education - Preschool Grants (IDEA Preschool) (Special Education Cluster) | 84.173 | 625210 | 11,329 |
| Twenty-First Century Community Learning Centers | 84.287 | 605650 | 21,097 |
| Education Technology State Grants (Educational Technology State Grants Cluster) | 84.318 | 616000 | 4,287 |
| Rural Education | 84.358 | 434810 | 30,112 |
| Improving Teacher Quality State Grants | 84.367 | 614800/867390 | 130,424 |
| ARRA - Education Technology State Grants (Educational Technology State Grants Cluster) | 84.386 | 608970 | 2,111 |
| ARRA - School Improvement Grants | 84.388 | 429900 | 610,242 |
| ARRA - Title I - Grants to Local Educational Agencies (Title I, Part A Cluster) | 84.389 | 429130 | 10,339 |
| ARRA - Special Education - Grants to States (IDEA, Part B) (Special Education Cluster) | 84.391 | 612450 | 219,339 |
| ARRA - Special Education - Preschool Grants (IDEA Preschool) (Special Education Cluster) | 84.392 | 612470 | 20,141 |
| ARRA - Education Jobs Funds | 84.410 | 62700 | <u>8,473</u> |
| Total Department of Education | | | \$ <u>2,545,635</u> |
| Federal Energy Regulation Commission: | | | |
| Pass Through Payments: | | | |
| Department of Education: Miscellaneous Revenue | 84.000 | Unknown | \$ <u>25,618</u> |
| Total Expenditures of Federal Awards | | | \$ <u>5,293,561</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, 2012

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, 2012. 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 | \$ 118,963 |
| Special Revenue Funds: | |
| Virginia Public Assistance Fund | 967,567 |
| CSA Fund | 10,908 |
| Debt Service Funds: | |
| Debt Service Fund | 29,984 |
| Capital Projects Funds: | |
| County Capital Improvements Fund | 457,057 |
| Total primary government | \$ <u>1,584,479</u> |

Component Unit School Board:

| | |
|-----------------------------------|---------------------|
| School Operating Fund | \$ 2,745,059 |
| School Cafeteria Fund | 981,288 |
| Total component unit School Board | \$ <u>3,726,347</u> |

Total federal expenditures per basic financial statements

\$ 5,310,826

Reconciling Items:

| | |
|--|--------------------|
| FY11 unspent federal equitable sharing funds | \$ 12,719 |
| Federal interest subsidy | (29,984) |
| Total reconciling items | \$ <u>(17,265)</u> |

Total federal expenditures per the Schedule of Expenditures of Federal Awards

\$ 5,293,561

COUNTY OF BRUNSWICK, VIRGINIA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

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> |
|-----------------------------|---|
| 84.027/84.173/84.391/84.392 | Special Education Cluster |
| 84.388 | ARRA - School Improvement Grants |
| 14.228 | Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii |

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

Auditee qualified as low-risk auditee? Yes

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, 2012

There were no findings reported for the year ended June 30, 2011.

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