

# COUNTY OF BRUNSWICK, VIRGINIA



FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2013



**County of Brunswick, Virginia**

**Financial Report**

**Year Ended June 30, 2013**

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# COUNTY OF BRUNSWICK, VIRGINIA

Financial Report  
Year Ended June 30, 2013

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**BOARD OF SUPERVISORS**

Barbara J. Drummond, Chairman

Bernard L. Jones, Sr.

John Cataldo

Welton Tyler

Denise C. Williams

**COUNTY SOCIAL SERVICES BOARD**

Michelle Talbert, Chairman

Dolores S. Webster

Vacant

Tracie Seward

Denise C. Williams

Saundra Shye

**COUNTY SCHOOL BOARD**

Dr. Carolyn P. Jones, Chairman

Roy F. Warwick

Timothy Puryear

Floyd A. Moore, Jr.

JoAnn Anderson

**OTHER OFFICIALS**

Judge of the Circuit Court  
Chief Judge for 6<sup>th</sup> 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

Nathan C. Lee  
W. Allen Sharrett  
V. Earl Stanley, Jr.  
Lezlie S. Green  
Wanda J. Beville  
Alice C. Maitland  
Brian K. Roberts  
Dr. Oliver W. Spencer, Jr.  
Debbie Burkett  
Dr. Charlette T. Woolridge  
Theodore Burr  
Carson E. Saunders, Jr.  
Betty Macklin



# ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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## Independent Auditors' Report

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund and the aggregate remaining fund information of County of Brunswick, Virginia, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise County of Brunswick, Virginia's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***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 County of Brunswick, Virginia, as of June 30, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

As described in Note 1 to the financial statements, in 2013, County of Brunswick, Virginia adopted new accounting guidance, GASB Statement Nos. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-9, budgetary comparison information, and schedules 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Brunswick, Virginia's basic financial statements. The combining and individual fund financial statements and schedules, supporting schedules, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual fund financial statements and schedules, 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, supporting schedules, and the schedule of expenditures of federal awards are 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2013, on our consideration of County of Brunswick, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Brunswick, Virginia's internal control over financial reporting and compliance.

*Robinson, Farmer, & Associates*  
Charlottesville, Virginia  
December 27, 2013

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

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

As management of County of Brunswick, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2013.

**Financial Highlights**

**Government-wide Financial Statements**

- On a government-wide basis for governmental activities, the assets and deferred outflows of resources of the County exceeded its liabilities at the close of the most recent fiscal year by \$14,909,880 (net position), a decrease of \$1,509,576 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 \$429,074 (Exhibit 5) after making contributions totaling \$5,000,918 to the School Board.

- As of the close of the current fiscal year, the County's governmental funds reported ending fund balances of \$14,629,169, a decrease of \$429,074 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$7,986,865 or 53% of total general fund expenditures.
- Combined long-term obligations for the governmental funds increased \$2,190,664 during the current fiscal year. Principal repayments were offset by a Lease revenue bond of \$3,000,000 that was issued for courthouse 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 required and other supplementary information in addition to the basic financial statements themselves.

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

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

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

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

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

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

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

**Governmental Funds** - Governmental Funds are used to account for essentially the same functions or services reported as governmental activities in the government-wide financial statements. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds focus is narrower than that of the government-wide financial statements, a reconciliation between the two methods is provided following the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The County's major funds are the General Fund, the Virginia Public Assistance Fund, the Debt Service Fund, the County Capital Improvements Fund, and the Debt Financed School Capital Projects 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 position. The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations. 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 postemployment benefits. Other supplementary information presented includes various combining financial statements for the County's non-major funds and the discretely presented component unit - School Board, supporting schedules, and statistical information. The School Board does not issue separate financial statements.

## **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County's governmental activities, assets and deferred outflows of resources exceeded liabilities by \$14,909,880 at the close of the most recent fiscal year.

### **Summary Statement of Net Position**

	<b>Governmental Activities</b>	
	<b>2013</b>	<b>2012</b>
Current and other assets	\$ 16,039,411	\$ 16,555,378
Capital assets	15,142,837	14,040,705
Total assets	\$ 31,182,248	\$ 30,596,083
Deferred outflows of resources	\$ 63,878	\$ 88,039
Long-term liabilities	\$ 15,142,033	\$ 12,951,369
Current liabilities	1,194,213	1,313,297
Total liabilities	\$ 16,336,246	\$ 14,264,666
Net position:		
Net investment in capital assets	\$ 2,716,597	\$ 5,016,320
Restricted	622,448	610,220
Unrestricted	11,570,835	10,792,916
Total net position	\$ 14,909,880	\$ 16,419,456

At the end of the current fiscal year, the County's net investment in capital assets was \$2,716,597. 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 position by \$1,509,576.

**Summary Statement of Change in Net Position**

	<b>Governmental Activities</b>	
	<b>2013</b>	<b>2012</b>
Revenues:		
Program revenues:		
Charges for services	\$ 1,867,072	\$ 1,503,878
Operating grants and contributions	4,018,912	4,718,374
Capital grants and contributions	1,011,564	494,966
General revenues:		
General property taxes	9,372,346	8,010,380
Other local taxes	1,619,833	1,467,078
Grants and other contributions not restricted	1,788,436	1,755,401
Use of money and property	203,654	292,678
Miscellaneous	88,291	281,809
Total revenues	<u>\$ 19,970,108</u>	<u>\$ 18,524,564</u>
Expenses:		
General government administration	\$ 1,505,451	\$ 1,667,583
Judicial administration	1,312,334	908,493
Public safety	6,574,329	6,640,400
Public works	1,408,843	1,309,329
Health and welfare	2,465,150	2,532,222
Education	5,871,279	6,023,084
Parks, recreation, and cultural	252,293	300,369
Community development	1,570,574	838,812
Interest on long-term debt	519,431	485,231
Total expenses	<u>\$ 21,479,684</u>	<u>\$ 20,705,523</u>
Increase (decrease) in net position	\$ (1,509,576)	\$ (2,180,959)
Net position, July 1, as restated	16,419,456	18,600,415
Net position, June 30	<u>\$ 14,909,880</u>	<u>\$ 16,419,456</u>

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

Key elements of this decrease are as follows:

Total revenues increased by \$1,445,544 from the prior year. Several factors contributed to this increase. Property taxes increased by \$1,361,966 due to the latest reassessment, which is conducted every 6 years. Although values were relatively stable, the real estate rate increased from \$.39 to \$.47 and the personal property rate increased from \$3.40 to \$3.60 driving up the levies. In addition, Public Service Corp assessments made by the State increased. Capital grants increased by \$516,598, which included a federal grant of \$316,000 to purchase an armored truck. The continued focus on selective enforcement attributed to the \$363,194 increase in charges for services. In contrast, the operating grants and contributions decreased \$699,462 due to the opening of a regional jail, which resulted in less funding related to the housing of inmates.

Total expenses increased by \$774,161 over the prior year. The function with the most significant increase (\$731,762) was community development. A substantial factor contributing to this increase was the Simmons Drive CDBG project. Judicial administration also showed a significant increase in the amount of \$403,841. This resulted from the reclassification of courthouse security personnel within the general ledger after opening of the regional jail. Other functions showed modest changes.

## **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 \$14,629,169, a decrease of \$429,074 in comparison with the prior year. Approximately 55% 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 \$747,154 in expenditures and can be briefly summarized as follows:

- \$177,340 in increases for public safety
- \$129,087 in increases for public works
- \$332,246 in increases for education
- \$108,481 in other increases

Of this increase, \$50,000 was to be funded from fines and forfeitures. The remaining \$697,154 was to be budgeted from available fund balance and other revenue increases. During the year, however, expenditures were less than budgetary estimates by \$198,960, 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, 2013 amounted to \$15,142,837 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, and machinery and equipment. The County's capital assets increased by \$1,800,482 during the current fiscal year, while accumulated depreciation increased by \$698,350, resulting in a net increase of \$1,102,132. Projects in progress at year end include the Courthouse Renovation and Byways Visitor Center projects.

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 \$15,142,033 for its governmental operations. Of this amount \$8,994,804 comprises debt backed by the full faith and credit of the County. The remainder of the County's debt for governmental operations (\$6,147,229) represents bonds secured solely by specified revenue sources (i.e., revenue bonds and QZABs).

The County's total debt outstanding increased by \$2,190,664 during the current fiscal year. The increase includes the issuance of \$3,000,000 in lease revenue bonds to fund the courthouse renovation project. Required payments made on outstanding principal balances reduced the full impact of the issuance.

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 10.3 percent, which is an increase from a rate of 9.8 percent a year ago. This is the 5th highest unemployment rate in the state, for which the average unemployment rate is 5.6 percent and it is higher than the national average rate of 7.3 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 2014 fiscal year.

The County's fiscal year 2014 budget amounted to \$19,282,064 (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 Position  
June 30, 2013

	Primary Government		Component Units	
	Governmental Activities		School Board	IDA
<b>ASSETS</b>				
Cash and cash equivalents	\$ 12,710,485	\$	1,282,726	\$ 3,733,008
Receivables (net of allowance for uncollectibles):				
Taxes receivable	468,229		-	-
Accounts receivable	204,733		20,509	69,957
Due from component units	500,000		-	-
Due from other governmental units	879,984		1,012,964	321,980
Inventories	3,925		-	-
Prepaid items	-		-	6,040
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-		-	225,178
Investments (in custody of others)	1,272,055		-	-
Other assets:				
Land and improvements held for sale	-		-	2,735,340
Investment in industrial assets	-		-	3,801,191
Leases receivable	-		-	720,449
Escrow accounts	-		-	2,926
Capital assets (net of accumulated depreciation):				
Land	717,374		25,822	39,142
Buildings and improvements	12,121,709		6,071,163	131,295
Machinery, equipment, and vehicles	1,131,126		1,053,510	2,164
Intangibles	190,224		-	-
Construction in progress	982,404		-	-
Total assets	\$ 31,182,248	\$	9,466,694	\$ 11,788,670
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amount on refunding	\$ 63,878	\$	-	\$ -
<b>LIABILITIES</b>				
Accounts payable	\$ 244,354	\$	165,132	\$ -
Accrued liabilities	-		1,904,111	-
Contracts payable	246,302		-	205,408
Retainage payable	74,640		-	11,154
Accrued interest payable	628,917		-	-
Due to primary government	-		-	500,000
Long-term liabilities:				
Due within one year	1,071,457		56,942	228,560
Due in more than one year	14,070,576		764,455	1,050,791
Total liabilities	\$ 16,336,246	\$	2,890,640	\$ 1,995,913
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred gain on sale-leaseback	\$ -	\$	-	\$ 91,431
<b>NET POSITION</b>				
Net investment in capital assets	\$ 2,716,597	\$	7,150,495	\$ 2,694,441
Restricted for:				
Anti-litter	254		-	-
Law library	21,905		-	-
Drug enforcement	138,637		-	-
Courthouse maintenance	158,292		-	-
Courthouse security	281,199		-	-
CSA administration	22,161		-	-
Unrestricted (deficit)	11,570,835		(574,441)	7,006,885
Total net position	\$ 14,909,880	\$	6,576,054	\$ 9,701,326

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, 2013

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT:</b>				
Governmental activities:				
General government administration	\$ 1,505,451	\$ 41,774	\$ 227,299	\$ -
Judicial administration	1,312,334	1,343,925	522,561	-
Public safety	6,574,329	32,400	1,379,170	316,000
Public works	1,408,843	423,146	14,447	-
Health and welfare	2,465,150	-	1,869,199	-
Education	5,871,279	-	-	62,196
Parks, recreation, and cultural	252,293	22,616	5,000	57,378
Community development	1,570,574	3,211	1,236	575,990
Interest on long-term debt	519,431	-	-	-
Total governmental activities	<u>\$ 21,479,684</u>	<u>\$ 1,867,072</u>	<u>\$ 4,018,912</u>	<u>\$ 1,011,564</u>
<b>COMPONENT UNITS:</b>				
School Board	\$ 23,177,117	\$ 218,880	\$ 16,364,711	\$ 539,110
Industrial Development Authority	10,573,108	434,974	10,680,544	-
Total component units	<u>\$ 33,750,225</u>	<u>\$ 653,854</u>	<u>\$ 27,045,255</u>	<u>\$ 539,110</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
- Gain on disposal of capital assets
- Total general revenues
- Change in net position
- Net position - beginning, as restated
- Net position - ending

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

Exhibit 2

<b>Net (Expense) Revenue and Changes in Net Position</b>			
<b>Primary</b>	<b>Component Units</b>		
<b>Government</b>	<b>School</b>	<b>IDA</b>	
<b>Governmental</b>	<b>Board</b>		
<b>Activities</b>			
\$ (1,236,378)			
554,152			
(4,846,759)			
(971,250)			
(595,951)			
(5,809,083)			
(167,299)			
(990,137)			
(519,431)			
<u>\$ (14,582,136)</u>			
	\$ (6,054,416)	\$ -	
	-	542,410	
	<u>\$ (6,054,416)</u>	<u>\$ 542,410</u>	
\$ 9,372,346	\$ -	\$ -	
817,266	-	-	
254,641	-	-	
339,161	-	-	
208,765	-	-	
-	5,678,623	403,579	
203,654	1,600	26,387	
88,291	460,385	-	
1,788,436	-	-	
-	125,000	-	
<u>\$ 13,072,560</u>	<u>\$ 6,265,608</u>	<u>\$ 429,966</u>	
(1,509,576)	211,192	972,376	
16,419,456	6,364,862	8,728,950	
<u>\$ 14,909,880</u>	<u>\$ 6,576,054</u>	<u>\$ 9,701,326</u>	

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## **Fund Financial Statements**

COUNTY OF BRUNSWICK, VIRGINIA

Balance Sheet  
 Governmental Funds  
 June 30, 2013

	<u>General</u>	<u>Virginia Public Assistance</u>	<u>Debt Service</u>	<u>County Capital Improvements</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 8,291,170	\$ -	\$ 1,132,443	\$ 3,118,929
Receivables (net of allowance for uncollectibles):				
Taxes receivable	468,229	-	-	-
Accounts receivable	182,849	3,773	-	150
Due from other funds	148,085	-	-	-
Due from component unit	500,000	-	-	-
Due from other governmental units	627,280	129,865	-	60,988
Inventories	-	-	-	-
Restricted assets:				
Temporarily restricted:				
Investments	-	-	1,272,055	-
Total assets	<u>\$ 10,217,613</u>	<u>\$ 133,638</u>	<u>\$ 2,404,498</u>	<u>\$ 3,180,067</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 192,150	\$ 6,246	\$ -	\$ 9,000
Contracts payable	-	-	-	246,302
Retainage payable	-	-	-	69,153
Accrued interest payable	-	-	443,787	-
Due to other funds	-	127,392	-	-
Total liabilities	<u>\$ 192,150</u>	<u>\$ 133,638</u>	<u>\$ 443,787</u>	<u>\$ 324,455</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	\$ 401,159	\$ -	\$ -	\$ -
<b>FUND BALANCES</b>				
Nonspendable:				
Inventories	\$ -	\$ -	\$ -	\$ -
Long-term loans and advances	500,000	-	-	-
Restricted:				
Anti-litter	254	-	-	-
Law library	21,905	-	-	-
Drug enforcement	138,637	-	-	-
Courthouse maintenance	158,292	-	-	-
Courthouse security	281,199	-	-	-
School renovations	-	-	-	-
Debt service funds - QZABs	-	-	828,268	-
CSA administration	-	-	-	-
Committed:				
Historic Courthouse renovations	-	-	-	2,293,899
Simmons Drive - CDBG grant	-	-	-	73,521
Debt service funds	-	-	1,132,443	-
Refuse vehicle	206,555	-	-	-
Sheriff special allocation	305,827	-	-	-
Assigned:				
DMV Select	14,731	-	-	-
Water safety	10,039	-	-	-
Other capital projects	-	-	-	488,192
Unassigned:				
General fund	7,986,865	-	-	-
Total fund balances	<u>\$ 9,624,304</u>	<u>\$ -</u>	<u>\$ 1,960,711</u>	<u>\$ 2,855,612</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,217,613</u>	<u>\$ 133,638</u>	<u>\$ 2,404,498</u>	<u>\$ 3,180,067</u>

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

Exhibit 3

	DF School Capital Projects	Other Governmental Funds	Total
\$	167,943	\$ -	\$ 12,710,485
	-	-	468,229
	-	17,961	204,733
	-	-	148,085
	-	-	500,000
	-	61,851	879,984
	-	3,925	3,925
	-	-	1,272,055
\$	<u>167,943</u>	<u>\$ 83,737</u>	<u>\$ 16,187,496</u>
\$	-	\$ 36,958	\$ 244,354
	-	-	246,302
	5,487	-	74,640
	-	-	443,787
	-	20,693	148,085
\$	<u>5,487</u>	<u>\$ 57,651</u>	<u>\$ 1,157,168</u>
\$	<u>-</u>	<u>\$ -</u>	<u>\$ 401,159</u>
\$	-	\$ 3,925	3,925
	-	-	500,000
	-	-	254
	-	-	21,905
	-	-	138,637
	-	-	158,292
	-	-	281,199
	162,456	-	162,456
	-	-	828,268
	-	22,161	22,161
	-	-	2,293,899
	-	-	73,521
	-	-	1,132,443
	-	-	206,555
	-	-	305,827
	-	-	14,731
	-	-	10,039
	-	-	488,192
	-	-	7,986,865
\$	<u>162,456</u>	<u>\$ 26,086</u>	<u>\$ 14,629,169</u>
\$	<u>167,943</u>	<u>\$ 83,737</u>	<u>\$ 16,187,496</u>

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Reconciliation of the Balance Sheet of Governmental Funds  
 To the Statement of Net Position  
 June 30, 2013

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds \$ 14,629,169

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

Land	\$	717,374		
Buildings and improvements		12,121,709		
Machinery and equipment		1,131,126		
Intangibles		190,224		
Construction in progress		<u>982,404</u>		15,142,837

Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds. 401,159

The deferred charge on refunding is to be amortized as interest expense over the life of the debt. 63,878

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	\$	(4,334,000)		
General obligation bonds		(7,029,146)		
Plus: Premium on issuance		(109,475)		
Qualified zone academy bonds		(1,813,229)		
Capital lease		(4,816)		
Landfill closure/postclosure liability		(591,671)		
Retirement incentive costs		(346,100)		
Brodnax sewer capacity agreement		(192,192)		
Compensated absences		(579,374)		
Net OPEB obligation		(142,030)		
Accrued interest payable		<u>(239,712)</u>		<u>(15,327,163)</u>

Net position of governmental activities \$ 14,909,880

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, 2013

<b>REVENUES</b>	<b>General</b>	<b>Virginia Public Assistance</b>	<b>Debt Service</b>	<b>County Capital Improve- ments</b>	<b>DF School Capital Projects</b>	<b>Other Govern- mental Funds</b>	<b>Total</b>
General property taxes	\$ 9,303,220	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,303,220
Other local taxes	1,619,833	-	-	-	-	-	1,619,833
Permits, privilege fees, and regulatory licenses	66,134	-	-	-	-	-	66,134
Fines and forfeitures	1,110,627	-	-	-	-	-	1,110,627
Revenue from the use of money and property	149,625	-	39,595	10,179	955	3,300	203,654
Charges for services	681,728	-	-	-	-	8,583	690,311
Miscellaneous	77,405	6,710	-	-	-	4,176	88,291
Recovered costs	243,969	-	-	150	-	17,239	261,358
Intergovernmental revenues:							
Commonwealth	3,913,753	572,535	-	27,817	-	314,510	4,828,615
Federal	60,729	928,566	62,196	929,869	-	8,937	1,990,297
Total revenues	<u>\$ 17,227,023</u>	<u>\$ 1,507,811</u>	<u>\$ 101,791</u>	<u>\$ 968,015</u>	<u>\$ 955</u>	<u>\$ 356,745</u>	<u>\$ 20,162,340</u>
<b>EXPENDITURES</b>							
Current:							
General government administration	\$ 1,368,274	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,368,274
Judicial administration	1,314,772	-	-	-	-	-	1,314,772
Public safety	5,008,806	-	-	-	-	-	5,008,806
Public works	1,426,168	-	-	-	-	61,205	1,487,373
Health and welfare	143,974	1,830,050	-	-	-	462,257	2,436,281
Education	4,967,069	-	-	76,000	-	-	5,043,069
Parks, recreation, and cultural	221,149	-	-	-	-	-	221,149
Community development	358,448	-	-	-	-	-	358,448
Capital projects	7,500	-	-	3,857,843	1,144,073	-	5,009,416
Debt service:							
Principal retirement	316,637	-	552,135	-	-	-	868,772
Interest and other fiscal charges	56,899	-	411,655	-	-	-	468,554
Issuance costs	-	-	-	6,500	-	-	6,500
Total expenditures	<u>\$ 15,189,696</u>	<u>\$ 1,830,050</u>	<u>\$ 963,790</u>	<u>\$ 3,940,343</u>	<u>\$ 1,144,073</u>	<u>\$ 523,462</u>	<u>\$ 23,591,414</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,037,327</u>	<u>\$ (322,239)</u>	<u>\$ (861,999)</u>	<u>\$ (2,972,328)</u>	<u>\$ (1,143,118)</u>	<u>\$ (166,717)</u>	<u>\$ (3,429,074)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	\$ -	\$ 322,239	\$ 763,622	\$ 1,202,729	\$ -	\$ 169,928	\$ 2,458,518
Transfers out	(2,458,518)	-	-	-	-	-	(2,458,518)
Issuance of general obligation bonds	-	-	-	3,000,000	-	-	3,000,000
Total other financing sources (uses)	<u>\$ (2,458,518)</u>	<u>\$ 322,239</u>	<u>\$ 763,622</u>	<u>\$ 4,202,729</u>	<u>\$ -</u>	<u>\$ 169,928</u>	<u>\$ 3,000,000</u>
Net change in fund balances	\$ (421,191)	\$ -	\$ (98,377)	\$ 1,230,401	\$ (1,143,118)	\$ 3,211	\$ (429,074)
Fund balances - beginning	10,045,495	-	2,059,088	1,625,211	1,305,574	22,875	15,058,243
Fund balances - ending	<u>\$ 9,624,304</u>	<u>\$ -</u>	<u>\$ 1,960,711</u>	<u>\$ 2,855,612</u>	<u>\$ 162,456</u>	<u>\$ 26,086</u>	<u>\$ 14,629,169</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, 2013

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

Net change in fund balances - total governmental funds \$ (429,074)

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	\$	1,334,049	
Depreciation		(547,780)	
Adjustment for jointly owned assets		466,433	
Depreciation adjustment for jointly owned assets		<u>(150,570)</u>	1,102,132

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The change in unavailable property taxes is reported as revenues in the governmental funds. 69,126

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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term obligations and related items.

Amortization of premium on issuance	\$	16,719	
Issuance of bonds		(3,000,000)	
Payment of principal		868,772	
Increase in landfill closure/postclosure care liability		<u>(9,890)</u>	(2,124,399)

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	\$	(36,100)	
Net OPEB obligation		(30,165)	
Amortization of deferred charge on refunding		(24,161)	
Accrued interest payable		<u>(36,935)</u>	<u>(127,361)</u>

Change in net position of governmental activities \$ (1,509,576)

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

Statement of Fiduciary Net Position  
 Fiduciary Funds  
 June 30, 2013

	<u>Agency Funds</u>
<b>ASSETS</b>	
<hr/>	
Cash and cash equivalents	\$ 28,979
Total assets	\$ <u>28,979</u>
<b>LIABILITIES</b>	
<hr/>	
Amounts held for social services clients	\$ 4,241
Amounts held for others	1,983
Escrow deposits payable	<u>22,755</u>
Total liabilities	\$ <u>28,979</u>

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

# COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013

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

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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 position 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 Position - The statement of net position 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 position and will report depreciation expense - the cost of "using up" capital assets - in the statement of activities. The net position of a government will be broken down into three categories - 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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, 2013 (Continued)

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

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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, 2013.

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, 2013.

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, 2013 (Continued)

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

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#### 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, Greenville and the City of Emporia provide the financial support for the Library and appoint its governing Board, in which is vested the ability to execute contracts and to budget and expend funds. The County appoints five (5) of the ten (10) members of the Board. The County provided \$180,592 in operating funds to the Library in 2013.

##### 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 \$43,448 as operating grants to the Southside Community Services Board for the fiscal year ended June 30, 2013.

##### Meherrin River Regional Jail Authority

The Authority, created by resolution pursuant to state statute, is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. The Counties of Brunswick, Dinwiddie, and Mecklenburg participate in the Authority. The County Administrator and Sheriff of each participating locality serve on the Authority; however, the Authority is fiscally independent and there is no financial benefit or burden relationship with the participating localities. Therefore, it is not included in the County's financial statements. The regional jail bills each participating locality a per diem rate based upon the number of inmates housed at the facility. The per diem rates include components for both operating and debt service expenses. Brunswick County paid \$1,857,588 to the Jail for the fiscal year ended June 30, 2013.

##### 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, 2013 (Continued)

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

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#### 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 provider have been met.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized 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, 2013 (Continued)

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

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#### 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, 2013.

###### 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, 2013 (Continued)

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

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

##### 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, 2013 (Continued)

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

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#### **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 in FY12 by \$522,805. This amount is to be reimbursed to the County over three fiscal years beginning FY13-14. In FY13 local funds in excess of \$335,075 were expended, which will be factored into the FY14 operating budget.

#### **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 \$88,100 at June 30, 2013 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.

# COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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

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### I. Capital Assets

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

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

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

Property, plant and equipment and intangibles 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 Position. 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.

## COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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

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#### K. Long-term Obligations: (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, during the current period. The face amount of debt issued and premiums on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

#### L. Fund Equity

The County reports fund balance in accordance with GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. 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.

## COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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

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#### **M. Inventories and Prepaid Items: (Continued)**

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

#### **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. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one type of item that qualifies for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30 and is deferred and recognized as an inflow of resources in the period that the amount becomes available.

#### **P. Net Position**

Net position is the difference between a) assets and deferred outflows of resources and b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

#### **Q. Net Position Flow Assumption**

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

**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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

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**R. Adoption of Accounting Principles**

Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, Statement No. 63 of the Governmental Accounting Standards Board:

The County implemented the financial reporting provisions of the above Statement for the fiscal year ended June 30, 2013. This Statement provides guidance for reporting deferred inflows and deferred outflows of resources. The requirements of this Statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on an entity's net position. With the implementation of this Statement, certain terminology has changed and financial statement descriptions have changed from "net assets" to "net position." The net equity reported in the financial statements was not changed as a result of implementing this Statement and no restatement of prior balances is required.

Items Previously Reported as Assets and Liabilities, Statement No. 65 of the Governmental Accounting Standards Board:

The County implemented the financial reporting provisions of the above Statement for the fiscal year ended June 30, 2013. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The net position reported in the financial statements was restated as a result of implementing this Statement. The restatement is as follows:

	<b>Governmental Activities</b>
Beginning balance, as originally reported	\$ 16,455,178
Implementation of GASB 65:	
Write-off of bond issuance costs	<u>(35,722)</u>
Beginning balance, as restated	<u>\$ 16,419,456</u>

**S. Upcoming Pronouncements**

The Governmental Accounting Standards Board has issued Statement No. 68, *Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27*. This Statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2014. The County has not determined the impact of this pronouncement on its financial statements.

## COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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### **Note 2–Cash and Cash Equivalents:**

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#### **Deposits**

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the “Act”), Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits 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, 2013 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, 2013 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, 2013 (Continued)

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**Note 2–Cash and Cash Equivalents: (Continued)**

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**Credit Risk of Debt Securities: (Continued)**

<b>Rated Debt Investments' Values</b>	
<b>Rated Debt Investments</b>	<b>Fair Quality Ratings</b>
	<b>AAAm</b>
Governmental Activities:	
Local government investment pool	\$ 3,555
State Non-Arbitrage Pool	167,943
	<hr/>
Total	\$ 171,498
	<hr/> <hr/>
	<b>AAAm</b>
Component Unit Industrial Development Authority:	
Local government investment pool	\$ 364,114
	<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:**

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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 2012 were levied by the County Board of Supervisors on June 27, 2012, on the assessed value listed as of January 1, 2012.

**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2013 (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 inflows of resources.

**Note 4–Receivables:**

Receivables at June 30, 2013 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	\$ 556,329	\$ -	\$ -	\$ 556,329	\$ -	\$ -
Allowance for uncollectibles	(88,100)	-	-	(88,100)	-	-
Net taxes receivable	<u>\$ 468,229</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 468,229</u>	<u>\$ -</u>	<u>\$ -</u>
Accounts receivable:						
Landfill host fees	\$ 81,416	\$ -	\$ -	\$ 81,416	\$ -	\$ -
Landfill inspection costs	38,660	-	-	38,660	-	-
Utility and consumption taxes	24,193	-	-	24,193	-	-
Airport recovery	-	17,614	-	17,614	-	-
Expenditure refunds	-	-	-	-	10,618	-
Other	38,580	4,120	150	42,850	9,891	69,597
Total accounts receivable	<u>\$ 182,849</u>	<u>\$ 21,734</u>	<u>\$ 150</u>	<u>\$ 204,733</u>	<u>\$ 20,509</u>	<u>\$ 69,597</u>
Leases receivable:						
Social Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 308,449
Ackerman	-	-	-	-	-	412,000
Total leases receivable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 720,449</u>

As of June 30, 2013, the Ackerman lease had a past due balance of \$53,015.

**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2013 (Continued)

**Note 5—Due To/From Component Units:**

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

See Note 21 for further details.

**Note 6—Due From Other Governmental Units:**

At June 30, 2013, the County has receivables from other governments as follows:

	<u>Governmental Activities</u>				<u>Component Units</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>	<u>School Board</u>	<u>IDA</u>
<b>Commonwealth of Virginia:</b>						
Local sales taxes	\$ 296,676	\$ -	\$ -	\$ 296,676	\$ -	-
State sales taxes	-	-	-	-	381,954	-
Communication sales taxes	67,742	-	-	67,742	-	-
Public assistance	-	47,065	-	47,065	-	-
Comprehensive services	-	61,851	-	61,851	-	-
Shared expenses and grants	214,481	-	-	214,481	-	-
Mobile home titling	7,401	-	-	7,401	-	-
Wireless E-911 revenues	10,084	-	-	10,084	-	-
Victim witness	15,253	-	-	15,253	-	-
Tobacco grant	-	-	10,251	10,251	-	239,635
Other	11,558	-	-	11,558	-	82,345
<b>Federal government:</b>						
FEMA - emergency mgnt	4,085	-	-	4,085	-	-
Public assistance	-	82,800	-	82,800	-	-
CDBG funds	-	-	21,961	21,961	-	-
VDOT grant	-	-	28,776	28,776	-	-
Title I	-	-	-	-	143,623	-
Title VI-B	-	-	-	-	169,902	-
Teacher quality	-	-	-	-	60,629	-
Vocational education	-	-	-	-	25,510	-
School improvement grant	-	-	-	-	160,878	-
Nutrition	-	-	-	-	41,007	-
Other	-	-	-	-	29,461	-
<b>Total</b>	<u>\$ 627,280</u>	<u>\$ 191,716</u>	<u>\$ 60,988</u>	<u>\$ 879,984</u>	<u>\$ 1,012,964</u>	<u>\$ 321,980</u>

**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2013 (Continued)

**Note 7–Unearned and Unavailable Revenue:**

The government’s unavailable and unearned revenue consist of the following at June 30, 2013:

	<u>Government-wide Statements</u>		
	<u>Governmental Activities</u>	<u>Component Unit Industrial Development Authority</u>	<u>Balance Sheet Governmental Funds</u>
<b>Primary Government:</b>			
Unavailable property tax revenue:			
Unavailable revenue representing uncollected property tax billings for which asset recognition criteria has not been met. The uncollected tax billings are not available for the funding of current expenditures.	\$ -	\$ -	\$ 401,159
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Component Unit Industrial Development Authority:</b>			
Deferred gain on sale-leaseback:			
Long-term profit on sale of building amortized annually through 2022	\$ -	\$ 91,431	\$ -
	<u>                    </u>	<u>                    </u>	<u>                    </u>

**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2013 (Continued)

**Note 8—Capital Assets:**

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

**Primary Government:**

	<u>Balance July 1, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2013</u>
Capital assets not being depreciated:				
Land	\$ 717,374	\$ -	\$ -	\$ 717,374
Construction in Progress:				
County	-	982,404	-	982,404
Jointly owned assets	<u>220,829</u>	<u>1,144,073</u>	<u>1,364,902</u>	<u>-</u>
Total capital assets not being depreciated	<u>\$ 938,203</u>	<u>\$ 2,126,477</u>	<u>\$ 1,364,902</u>	<u>\$ 1,699,778</u>
Other capital assets:				
Buildings and improvements	\$ 9,205,783	\$ -	\$ -	\$ 9,205,783
Machinery, equipment and vehicles	3,566,651	459,215	107,570	3,918,296
Intangibles	344,214	-	-	344,214
Jointly owned assets	<u>7,990,015</u>	<u>1,364,902</u>	<u>677,640</u>	<u>8,677,277</u>
Total other capital assets	<u>\$ 21,106,663</u>	<u>\$ 1,824,117</u>	<u>\$ 785,210</u>	<u>\$ 22,145,570</u>
Accumulated depreciation:				
Buildings and improvements	\$ 3,895,062	\$ 228,959	\$ -	\$ 4,124,021
Machinery, equipment and vehicles	2,477,407	417,333	107,570	2,787,170
Intangibles	144,932	9,058	-	153,990
Jointly owned assets	<u>1,486,760</u>	<u>257,309</u>	<u>106,739</u>	<u>1,637,330</u>
Total accumulated depreciation	<u>\$ 8,004,161</u>	<u>\$ 912,659</u>	<u>\$ 214,309</u>	<u>\$ 8,702,511</u>
Other capital assets, net	<u>\$ 13,102,502</u>	<u>\$ 911,458</u>	<u>\$ 570,901</u>	<u>\$ 13,443,059</u>
Net capital assets	<u><u>\$ 14,040,705</u></u>	<u><u>\$ 3,037,935</u></u>	<u><u>\$ 1,935,803</u></u>	<u><u>\$ 15,142,837</u></u>
Depreciation is allocated to:				
General government administration		\$ 113,738		
Public safety		424,871		
Public works		70,880		
Health and welfare		19,324		
Education		257,309		
Parks and recreation		<u>26,537</u>		
Total		<u><u>\$ 912,659</u></u>		

**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2013 (Continued)

**Note 8—Capital Assets: (Continued)**

**Component Unit-School Board:**

	<b>Balance July 1, 2012</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2013</b>
Capital assets not being depreciated:				
Land	\$ 25,822	\$ -	\$ -	\$ 25,822
Total capital assets not being depreciated	\$ 25,822	\$ -	\$ -	\$ 25,822
Other capital assets:				
Buildings and improvements	\$ 9,066,027	\$ 250,647	\$ -	\$ 9,316,674
Machinery, equipment and vehicles	4,524,635	90,271	4,735	4,610,171
Jointly owned assets	3,126,962	527,135	-	3,654,097
Total other capital assets	\$ 16,717,624	\$ 868,053	\$ 4,735	\$ 17,580,942
Accumulated depreciation:				
Buildings and improvements	\$ 5,686,097	\$ 122,830	\$ -	\$ 5,808,927
Machinery, equipment and vehicles	3,267,869	293,527	4,735	3,556,661
Jointly owned assets	890,590	200,091	-	1,090,681
Total accumulated depreciation	\$ 9,844,556	\$ 616,448	\$ 4,735	\$ 10,456,269
Other capital assets, net	\$ 6,873,068	\$ 251,605	\$ -	\$ 7,124,673
Net capital assets	\$ 6,898,890	\$ 251,605	\$ -	\$ 7,150,495
Depreciation is allocated to education		\$ 616,448		

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, 2013, is that school financed assets in the amount of \$7,039,947 net are reported in the Primary Government for financial reporting purposes.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

**Note 8—Capital Assets: (Continued)**

**Component Unit-Industrial Development Authority:**

	<u>Balance July 1, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2013</u>
Capital assets not being depreciated:				
Land	\$ 92,242	\$ -	\$ 53,100	\$ 39,142
Other capital assets:				
Buildings	\$ 883,476	\$ -	\$ 684,378	\$ 199,098
Improvements	26,022	-	-	26,022
Machinery, equipment and vehicles	30,940	-	-	30,940
Total other capital assets	\$ 940,438	\$ -	\$ 684,378	\$ 256,060
Accumulated depreciation:				
Buildings	\$ 221,115	\$ 7,652	\$ 160,964	\$ 67,803
Improvements	26,022	-	-	26,022
Machinery, equipment and vehicles	24,448	4,328	-	28,776
Total accumulated depreciation	\$ 271,585	\$ 11,980	\$ 160,964	\$ 122,601
Other capital assets, net	\$ 668,853	\$ (11,980)	\$ 523,414	\$ 133,459
Net capital assets	\$ 761,095	\$ (11,980)	\$ 576,514	\$ 172,601
Depreciation is allocated to the Industrial Development Authority			\$ 11,980	

**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, 2013 (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, 2013.

	<u>Balance July 1, 2012</u>	<u>Issuances/ Increases</u>	<u>Retirements/ Decreases</u>	<u>Balance June 30, 2013</u>
Primary Government:				
Bonds payable:				
Lease revenue bonds	\$ 1,635,400	\$ 3,000,000	\$ 301,400	\$ 4,334,000
General obligation bonds:				
School	7,556,281	-	527,135	7,029,146
Premium on issuance	126,194	-	16,719	109,475
Qualified Zone Academy Bonds	1,813,229	-	-	1,813,229
Total bonds payable	<u>\$ 11,131,104</u>	<u>\$ 3,000,000</u>	<u>\$ 845,254</u>	<u>\$ 13,285,850</u>
Capital lease	11,317	-	6,501	4,816
Early retirement incentive costs	371,100	-	25,000	346,100
Sewer capacity agreement	200,928	-	8,736	192,192
Landfill closure/postclosure liability	581,781	9,890	-	591,671
Compensated absences	543,274	36,100	-	579,374
Net OPEB obligation	111,865	51,565	21,400	142,030
Total payable from governmental activities	<u>\$ 12,951,369</u>	<u>\$ 3,097,555</u>	<u>\$ 906,891</u>	<u>\$ 15,142,033</u>
Component Unit Activities:				
School Board				
Compensated absences	\$ 554,016	\$ 15,401	\$ -	\$ 569,417
Net OPEB obligation	193,386	127,194	68,600	251,980
Total payable from School Board	<u>\$ 747,402</u>	<u>\$ 142,595</u>	<u>\$ 68,600</u>	<u>\$ 821,397</u>
Industrial Development Authority				
Water and sewer bond	\$ 602,424	\$ -	\$ 85,264	\$ 517,160
Rural Development loan	446,857	-	118,893	327,964
Other loan	449,832	-	15,605	434,227
Total payable from IDA	<u>\$ 1,499,113</u>	<u>\$ -</u>	<u>\$ 219,762</u>	<u>\$ 1,279,351</u>
Total payable from component unit activities	<u>\$ 2,246,515</u>	<u>\$ 142,595</u>	<u>\$ 288,362</u>	<u>\$ 2,100,748</u>
Total long-term obligations	<u>\$ 15,197,884</u>	<u>\$ 3,240,150</u>	<u>\$ 1,195,253</u>	<u>\$ 17,242,781</u>
Reconciliation to Exhibit 1:				
		<u>Component Units</u>		
	<u>Primary Government</u>	<u>School Board</u>	<u>Industrial Development Authority</u>	<u>Total</u>
Long-term liabilities:				
Due within one year	\$ 1,071,457	\$ 56,942	\$ 228,560	\$ 1,356,959
Due in more than one year	14,070,576	764,455	1,050,791	15,885,822
Total long-term obligations	<u>\$ 15,142,033</u>	<u>\$ 821,397</u>	<u>\$ 1,279,351</u>	<u>\$ 17,242,781</u>

**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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

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**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>
2014	\$ 1,008,704	\$ 521,787
2015	1,050,652	472,512
2016	953,106	435,023
2017	977,595	400,449
2018	636,339	372,974
2019-2023	5,176,640	1,278,507
2024-2028	2,800,952	648,875
2029-2033	1,202,682	236,266
2034-2035	17,472	-
Total	<u>\$ 13,824,142</u>	<u>\$ 4,366,393</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, 2013, were as follows:

<u>Year Ending June 30,</u>	<u>Minimum Lease Payments</u>
2014	\$ <u>6,576</u>
Total minimum lease payments	\$ 6,576
Less: amount representing interest and fees	<u>(1,760)</u>
Present value of minimum lease payments	<u>\$ 4,816</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>
2014	\$ 228,560	\$ 47,145
2015	237,724	37,981
2016	567,473	28,091
2017	96,049	6,653
2018	98,952	3,750
2019	50,593	758
Total	<u>\$ 1,279,351</u>	<u>\$ 124,378</u>

**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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

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**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>
<b><u>Governmental Activities:</u></b>		
<b><u>Lease Revenue Bonds:</u></b>		
\$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%	\$ 1,334,000	\$ 312,200
\$3,000,000 Lease revenue bonds, payable in various annual installments ranging from \$106,000 to \$193,000, due on January 1 through 2032 with final payment due on 10/31/2032, interest payable semi-annually at a rate of 2.70%	<u>3,000,000</u>	<u>106,000</u>
Total lease revenue bonds	\$ <u>4,334,000</u>	\$ <u>418,200</u>
<b><u>General Obligation School Bonds:</u></b>		
\$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%	\$ 239,045	\$ 116,828
\$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%	849,723	67,307
Plus: Premium on issuance	27,809	4,642
\$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%	4,490,378	276,052
Plus: Premium on issuance	81,666	10,939
\$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>1,450,000</u>	<u>80,000</u>
Total general obligation bonds	\$ <u>7,138,621</u>	\$ <u>555,768</u>

**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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

**Details of Long-Term Obligations: (Continued)**

	<u>Amount Outstanding</u>	<u>Due within One year</u>
<b><u>Governmental Activities: (Continued)</u></b>		
<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 \$28,179 at June 30, 2013.	\$ <u>4,816</u>	\$ <u>4,816</u>
<u>Landfill closure and postclosure care liability</u>	\$ <u>591,671</u>	\$ <u>-</u>
<u>Compensated absences (payable from general fund)</u>	\$ <u>579,374</u>	\$ <u>57,937</u>
<u>Net OPEB Obligation</u>	\$ <u>142,030</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>346,100</u>	\$ <u>26,000</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>192,192</u>	\$ <u>8,736</u>
Total long-term obligations from governmental activities	\$ <u>15,142,033</u>	\$ <u>1,071,457</u>

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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

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**Details of Long-Term Obligations: (Continued)**

	<u>Amount Outstanding</u>	<u>Due within One year</u>
<b><u>Component Unit Activities:</u></b>		
<u>School Board:</u>		
<u>Compensated absences</u>	\$ 569,417	\$ 56,942
<u>Other post employment benefits</u>	\$ 251,980	\$ -
Total long-term obligations from School Board	\$ 821,397	\$ 56,942
<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%	\$ 434,226	\$ 16,365
\$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%	327,964	124,354
\$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%	517,161	87,841
Total long-term obligations from Industrial Development Authority	\$ 1,279,351	\$ 228,560
Total long-term obligations	\$ 17,242,781	\$ 1,356,959

**Note 11—Commitments and Contingencies:**

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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, 2013 (Continued)

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### **Note 11–Commitments and Contingencies: (Continued)**

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The County had the Courthouse Renovation project and the Byways Visitor Center project underway, which are presented in the financial statements as construction in progress. Contract amounts for the Courthouse Renovation project are \$2,649,838, of which \$1,828,363 was outstanding at June 30, 2013. For the Byways Visitor Center project, contract amounts are \$242,844 with \$188,456 outstanding at June 30, 2013.

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 \$400,787, of which \$162,487 was outstanding at June 30, 2013.

### **Note 12–Risk Management:**

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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:**

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At June 30, 2013, there were no significant matters of litigation pending involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to the County.

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

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The School Board contributed \$30,500 to a 401(a) plan on behalf of the County's school bus drivers. \$500 per driver and bus aide was contributed during fiscal year 2013. The County has the responsibility of a prudent investor in regards to the plan but is not liable for losses arising from the plan and thus the value of the plan assets is not recorded in the County's financial report.

## COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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### Note 15—Defined Benefit Pension Plan:

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#### 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 were vested as of January 1, 2013 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 Plan 1 members who were not vested on January 1, 2013 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.

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. The multiplier for Plan 2 members was reduced to 1.65% effective January 1, 2013 unless they are hazardous duty employees and their employer has elected the enhanced retirement multiplier. 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.

# COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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## Note 15—Defined Benefit Pension Plan: (Continued)

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### A. Plan Description (Continued)

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of the report may be obtained from the VRS website at <http://www.varetire.org/Pdf/publications/2012-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% of their compensation toward their retirement. All or part of the 5% member contribution may be assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5% member contribution. This could be phased in over a period up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid 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 2013 was 13.91%, of annual covered payroll. The School non-professional and Industrial Development Authority contribution rates for the fiscal year ended 2013 were 9.16% and 6.08% of annual covered payroll, respectively

### C. Annual Pension Cost

For fiscal year 2013, the County's annual pension cost of \$574,087 was equal to the County's required and actuarial contributions.

For fiscal year 2013, the School Board's annual pension cost for the Board's non-professional employees was \$112,368 and was equal to the Board's required and actual contributions.

For fiscal year 2013, the County Industrial Development Authority's annual pension cost of \$10,315 was equal to the Authority's required and actual contributions.

### Three-Year Trend Information for County and School Board

<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, 2013	\$ 574,087	100%	-
June 30, 2012	508,923	100%	-
June 30, 2011	515,241	100%	-
School Board Non-Professional:			
June 30, 2013	\$ 112,368	100%	-
June 30, 2012	70,338	100%	-
June 30, 2011	73,142	100%	-

**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2013 (Continued)

**Note 15—Defined Benefit Pension Plan: (Continued)**

**C. Annual Pension Cost (Continued)**

<b>Three-Year Trend Information for IDA</b>			
<b>Fiscal Year Ending</b>	<b>Annual Pension Cost (APC) (1)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
Industrial Development Authority:			
June 30, 2013	\$ 10,315	100%	-
June 30, 2012	6,451	100%	-
June 30, 2011	6,451	100%	-

(1) Employer portion only

The FY 2013 required contribution was determined as part of the June 30, 2011 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2011 included (a) an investment rate of return (net of administrative expenses) of 7.00%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees, 3.75% to 6.20% per year for teachers, 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 for Plan 1 employees and 2.25% for Plan 2 employees. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the County, School Board's, and IDA'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 IDA'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, 2011 for the Unfunded Actuarial Accrued Liability (UAAL) was 30 years.

**D. Funded Status and Funding Progress**

As of June 30, 2012, the most recent actuarial valuation date, the County's plan was 66.69% funded. The actuarial accrued liability for benefits was \$18,304,002, and the actuarial value of assets was \$12,206,217, resulting in an unfunded actuarial accrued liability (UAAL) of \$6,097,785. The covered payroll (annual payroll of active employees covered by the plan) was \$4,225,194, and ratio of the UAAL to the covered payroll was 144.32%.

As of June 30, 2012, the most recent actuarial valuation date, the School Board's plan was 80.54% funded. The actuarial accrued liability for benefits was \$5,093,777, and the actuarial value of assets was \$4,102,603, resulting in an unfunded actuarial accrued liability (UAAL) of \$991,174. The covered payroll (annual payroll of active employees covered by the plan) was \$1,141,018, and ratio of the UAAL to the covered payroll was 86.87%.

As of June 30, 2012, the most recent actuarial valuation date, the Industrial Development Authority's plan was 102.11% funded. The actuarial accrued liability for benefits was \$217,194, and the actuarial value of assets was \$221,783, resulting in an unfunded actuarial accrued liability (UAAL) of (\$4,589). 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 (4.33%).

## COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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### Note 15–Defined Benefit Pension Plan: (Continued)

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#### D. Funded Status and Funding Progress (Continued)

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/2012-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 2013, 2012, and 2011 were 11.66%, 6.33% and 3.93%, 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, 2013, 2012, and 2011 were \$1,271,202, \$640,889, and \$404,330, respectively, which equaled the required contributions for each year.

### Note 16–Deferred Compensation Plan:

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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.

# COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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## Note 17–VRS Health Insurance Credit - Other Postemployment Benefits:

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### 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 2013 was .61% 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.

For 2013, the School Board's contribution of \$7,597 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 2013 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, 2013	\$ 7,597	100%	-
June 30, 2012	7,623	100%	-
June 30, 2011	7,927	100%	-

## COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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### Note 17–VRS Health Insurance Credit - Other Postemployment Benefits: (Continued)

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#### D. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2012, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$	114,860
Actuarial value of plan assets	\$	32,843
Unfunded actuarial accrued liability (UAAL)	\$	82,017
Funded ratio (actuarial value of plan assets/AAL)		28.59%
Covered payroll (active plan members)	\$	1,141,018
UAAL as a percentage of covered payroll		7.19%

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.

The Retiree Health Insurance Credit benefit is based on a member's employer eligibility and his or her years of service. The monthly maximum credit amount cannot exceed the member's actual health insurance premium costs. The actuarial valuation for this plan assumes the maximum credit is payable for each eligible member. Since this benefit is a flat dollar amount multiplied by the member's years of service and the maximum benefit is assumed, no assumption relating to health care cost trend rates is needed or applied.

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, 2012 was 29 years.

## COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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### Note 17–VRS Health Insurance Credit - Other Postemployment Benefits: (Continued)

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#### F. Professional Employees – Discretely Presented Component Unit School Board

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

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

The School Board is required to contribute, at an actuarially determined rate, the entire amount necessary to fund participation in the program. The current rate is 1.11% of annual covered payroll. The School Board's contributions to VRS for the years ended June 30, 2013, 2012, and 2011 were \$120,982, \$60,748, and \$61,730, respectively and equaled the required contributions for each year.

### Note 18–Other Postemployment Benefits – Health Insurance:

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#### 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 BlueCross (PPO) (Key Advantage Expanded or Key Advantage 500) 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.

#### 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.

**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2013 (Continued)

**Note 18—Other Postemployment Benefits – Health Insurance: (Continued)**

**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	\$ 51,100	\$ 126,400
Interest on net OPEB obligation	4,475	7,735
Adjustment to annual required contribution	<u>(4,010)</u>	<u>(6,941)</u>
Annual OPEB cost (expense)	\$ 51,565	\$ 127,194
Contributions made	<u>(21,400)</u>	<u>(68,600)</u>
Increase in net OPEB obligation	\$ 30,165	\$ 58,594
Net OPEB obligation-beginning of year	<u>111,865</u>	<u>193,386</u>
Net OPEB obligation-end of year	<u>\$ 142,030</u>	<u>\$ 251,980</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 2013 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>
<b>County:</b>			
June 30, 2013	\$ 51,565	41.50%	142,030
June 30, 2012	57,114	33.44%	111,865
June 30, 2011	56,951	32.48%	73,851
<b>School Board:</b>			
June 30, 2013	\$ 127,194	53.93%	251,980
June 30, 2012	121,229	46.69%	193,386
June 30, 2011	124,457	47.57%	128,757

## COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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### Note 18—Other Postemployment Benefits – Health Insurance: (Continued)

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#### D. Funded Status and Funding Progress

The funded status of the plans as of June 30, 2012 and June 30, 2011, respectively, are as follows:

	<u>County</u>	<u>School Board</u>
Actuarial accrued liability (AAL)	\$ 496,600	\$ 1,135,400
Actuarial value of plan assets	\$ -	\$ -
Unfunded actuarial accrued liability (UAAL)	\$ 496,600	\$ 1,135,400
Funded ratio (actuarial value of plan assets/AAL)	0.00%	0.00%
Covered payroll (active plan members)	\$ 4,069,200	\$ 12,438,200
UAAL as a percentage of covered payroll	12.20%	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 7.50 percent initially, reduced by decrements to an ultimate rate of 4.80 percent after seventy 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 the valuation date was thirty years.

**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2013 (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, 2013, consisted of the following:

	<u>Due To</u>	<u>Due From</u>	<u>Net</u>
Primary Government:			
General Fund	\$ -	\$ 148,085	\$ (148,085)
VPA Fund	127,392	-	127,392
Airport Fund	12,624	-	12,624
CSA Fund	8,069	-	8,069
	<u>148,085</u>	<u>148,085</u>	<u>-</u>
Total Primary Government	\$ 148,085	\$ 148,085	\$ -
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	\$ -	\$ 2,458,518	\$ (2,458,518)
VPA Fund	322,239	-	322,239
Debt Service Fund	763,622	-	763,622
Capital Projects Fund	1,202,729	-	1,202,729
Airport Fund	33,293	-	33,293
CSA Fund	136,635	-	136,635
	<u>2,458,518</u>	<u>2,458,518</u>	<u>-</u>
Total Transfers	\$ 2,458,518	\$ 2,458,518	\$ -

## COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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### **Note 20–Interfund Balances and Transfers: (Continued)**

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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–Intergovernmental and Industrial Agreements–Industrial Development Authority:**

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#### County of Brunswick, Virginia

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

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

### **Note 22–Landfill Closure and Postclosure Care Cost:**

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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 \$591,671 reported as landfill postclosure care liability at June 30, 2013 represents the estimated remaining amount of postclosure monitoring costs required, including corrective action costs of \$332,556 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 23–Subsequent Events:**

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In November 2013, the County closed on a \$5,175,000 VRA loan for extension of water and sewer infrastructure along Route 58.

**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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
General property taxes	\$ 8,779,700	\$ 8,779,700	\$ 9,303,220	\$ 523,520
Other local taxes	1,396,000	1,396,000	1,619,833	223,833
Permits, privilege fees, and regulatory licenses	83,600	83,600	66,134	(17,466)
Fines and forfeitures	750,000	800,000	1,110,627	310,627
Revenue from the use of money and property	147,600	147,600	149,625	2,025
Charges for services	569,600	570,730	681,728	110,998
Miscellaneous	15,000	19,682	77,405	57,723
Recovered costs	233,435	233,435	243,969	10,534
Intergovernmental revenues:				
Commonwealth	3,709,735	3,742,242	3,913,753	171,511
Federal	40,000	47,590	60,729	13,139
Total revenues	<u>\$ 15,724,670</u>	<u>\$ 15,820,579</u>	<u>\$ 17,227,023</u>	<u>\$ 1,406,444</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 1,351,667	\$ 1,377,827	\$ 1,368,274	\$ 9,553
Judicial administration	1,293,011	1,354,227	1,314,772	39,455
Public safety	4,906,011	5,083,351	5,008,806	74,545
Public works	1,344,653	1,473,740	1,426,168	47,572
Health and welfare	144,014	144,014	143,974	40
Education	4,634,823	4,967,069	4,967,069	-
Parks, recreation, and cultural	215,758	221,258	221,149	109
Community development	370,529	386,134	358,448	27,686
Capital projects	7,500	7,500	7,500	-
Debt service:				
Principal retirement	316,501	316,501	316,637	(136)
Interest and other fiscal charges	57,035	57,035	56,899	136
Total expenditures	<u>\$ 14,641,502</u>	<u>\$ 15,388,656</u>	<u>\$ 15,189,696</u>	<u>\$ 198,960</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,083,168</u>	<u>\$ 431,923</u>	<u>\$ 2,037,327</u>	<u>\$ 1,605,404</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 25,000	\$ 25,000	\$ -	\$ (25,000)
Transfers out	(2,747,822)	(2,768,419)	(2,458,518)	309,901
Total other financing sources (uses)	<u>\$ (2,722,822)</u>	<u>\$ (2,743,419)</u>	<u>\$ (2,458,518)</u>	<u>\$ 284,901</u>
Net change in fund balances	\$ (1,639,654)	\$ (2,311,496)	\$ (421,191)	\$ 1,890,305
Fund balances - beginning	-	671,842	10,045,495	9,373,653
Fund balances - ending	<u>\$ (1,639,654)</u>	<u>\$ (1,639,654)</u>	<u>\$ 9,624,304</u>	<u>\$ 11,263,958</u>

Virginia Public Assistance Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ 6,710	\$ 6,710
Intergovernmental revenues:				
Commonwealth	693,016	693,016	572,535	(120,481)
Federal	1,057,074	1,057,074	928,566	(128,508)
Total revenues	\$ 1,750,090	\$ 1,750,090	\$ 1,507,811	\$ (242,279)
<b>EXPENDITURES</b>				
Current:				
Health and welfare	\$ 2,109,399	\$ 2,127,166	\$ 1,830,050	\$ 297,116
Total expenditures	\$ 2,109,399	\$ 2,127,166	\$ 1,830,050	\$ 297,116
Excess (deficiency) of revenues over (under) expenditures	\$ (359,309)	\$ (377,076)	\$ (322,239)	\$ 54,837
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 359,309	\$ 377,076	\$ 322,239	\$ (54,837)
Total other financing sources (uses)	\$ 359,309	\$ 377,076	\$ 322,239	\$ (54,837)
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

Schedules of Pension and OPEB Funding Progress  
For the Year Ended June 30, 2013

**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, 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%
June 30, 2012	12,206,217	18,304,002	6,097,785	66.69%	4,225,194	144.32%

**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, 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%
June 30, 2012	4,102,603	5,093,777	991,174	80.54%	1,141,018	86.87%

**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, 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%)
June 30, 2012	221,783	217,194	(4,589)	102.11%	106,096	(4.33%)

Schedules of Pension and OPEB Funding Progress  
For the Year Ended June 30, 2013 (Continued)

**Virginia Retirement System - Health Insurance Credit:**

**School Board Non-Professional:**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (AVA) (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded Actuarial Accrued Liability (UAAL) (b-a) (c)</b>	<b>Funded Ratio (a/b) (d)</b>	<b>Annual Covered Payroll (e)</b>	<b>UAAL as % of Covered Payroll (c/e) (f)</b>
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%
June 30, 2012	32,843	114,860	82,017	28.59%	1,141,018	7.19%

**Other Postemployment Benefits:**

**County:**

<b>Actuarial Valuation Date*</b>	<b>Actuarial Value of Assets (AVA) (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded Actuarial Accrued Liability (UAAL) (b-a) (c)</b>	<b>Funded Ratio (a/b) (d)</b>	<b>Covered Payroll (e)</b>	<b>UAAL as % of Covered Payroll (c/e) (f)</b>
June 30, 2009	\$ -	\$ 444,800	\$ 444,800	0.00%	\$ 4,955,700	8.98%
June 30, 2012	-	496,600	496,600	0.00%	4,069,200	12.20%

**School Board:**

<b>Actuarial Valuation Date**</b>	<b>Actuarial Value of Assets (AVA) (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded Actuarial Accrued Liability (UAAL) (b-a) (c)</b>	<b>Funded Ratio (a/b) (d)</b>	<b>Covered Payroll (e)</b>	<b>UAAL as % of Covered Payroll (c/e) (f)</b>
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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 10,000	\$ 10,000	\$ 39,595	\$ 29,595
Intergovernmental revenues:				
Federal	65,025	62,196	62,196	-
Total revenues	<u>\$ 75,025</u>	<u>\$ 72,196</u>	<u>\$ 101,791</u>	<u>\$ 29,595</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	\$ 687,369	\$ 687,369	\$ 552,135	\$ 135,234
Interest and other fiscal charges	357,073	351,396	411,655	(60,259)
Total expenditures	<u>\$ 1,044,442</u>	<u>\$ 1,038,765</u>	<u>\$ 963,790</u>	<u>\$ 74,975</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (969,417)</u>	<u>\$ (966,569)</u>	<u>\$ (861,999)</u>	<u>\$ 104,570</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 760,794	\$ 473,803	\$ 763,622	\$ 289,819
Total other financing sources (uses)	<u>\$ 760,794</u>	<u>\$ 473,803</u>	<u>\$ 763,622</u>	<u>\$ 289,819</u>
Net change in fund balances	\$ (208,623)	\$ (492,766)	\$ (98,377)	\$ 394,389
Fund balances - beginning	-	-	2,059,088	2,059,088
Fund balances - ending	<u>\$ (208,623)</u>	<u>\$ (492,766)</u>	<u>\$ 1,960,711</u>	<u>\$ 2,453,477</u>

**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, 2013

	<b>County Capital Improvements Fund</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 10,000	\$ 10,000	\$ 10,179	\$ 179
Recovered costs	-	-	150	150
Intergovernmental revenues:				
Commonwealth	388,375	388,375	27,817	(360,558)
Federal	1,805,686	2,136,686	929,869	(1,206,817)
Total revenues	<u>\$ 2,204,061</u>	<u>\$ 2,535,061</u>	<u>\$ 968,015</u>	<u>\$ (1,567,046)</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 76,000	\$ 76,000	\$ 76,000	\$ -
Capital projects	4,372,970	5,552,172	3,857,843	1,694,329
Debt service:				
Issuance costs	-	-	6,500	(6,500)
Total expenditures	<u>\$ 4,448,970</u>	<u>\$ 5,628,172</u>	<u>\$ 3,940,343</u>	<u>\$ 1,687,829</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (2,244,909)</u>	<u>\$ (3,093,111)</u>	<u>\$ (2,972,328)</u>	<u>\$ 120,783</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 1,340,000	\$ 1,340,000	\$ 1,202,729	\$ (137,271)
Transfers out	(25,000)	(25,000)	-	25,000
Issuance of general obligation bonds	-	678,152	3,000,000	2,321,848
Total other financing sources (uses)	<u>\$ 1,315,000</u>	<u>\$ 1,993,152</u>	<u>\$ 4,202,729</u>	<u>\$ 2,209,577</u>
Net change in fund balances	\$ (929,909)	\$ (1,099,959)	\$ 1,230,401	\$ 2,330,360
Fund balances - beginning	-	170,050	1,625,211	1,455,161
Fund balances - ending	<u>\$ (929,909)</u>	<u>\$ (929,909)</u>	<u>\$ 2,855,612</u>	<u>\$ 3,785,521</u>

Exhibit 12

<b>DF School Capital Projects Fund</b>			
<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Original</b>	<b>Final</b>		
\$ -	\$ -	\$ 955	\$ 955
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 955</u>	<u>\$ 955</u>
\$ -	\$ -	\$ -	-
-	1,306,981	1,144,073	162,908
-	-	-	-
<u>\$ -</u>	<u>\$ 1,306,981</u>	<u>\$ 1,144,073</u>	<u>\$ 162,908</u>
<u>\$ -</u>	<u>\$ (1,306,981)</u>	<u>\$ (1,143,118)</u>	<u>\$ 163,863</u>
\$ -	\$ -	\$ -	-
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ (1,306,981)	\$ (1,143,118)	\$ 163,863
-	1,306,981	1,305,574	(1,407)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,456</u>	<u>\$ 162,456</u>

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 June 30, 2013

	<u>Airport Fund</u>	<u>CSA Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Receivables (net of allowance for uncollectibles):			
Accounts receivable	\$ 17,614	\$ 347	\$ 17,961
Due from other governmental units	-	61,851	61,851
Inventories	<u>3,925</u>	<u>-</u>	<u>3,925</u>
Total assets	<u>\$ 21,539</u>	<u>\$ 62,198</u>	<u>\$ 83,737</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 4,990	\$ 31,968	\$ 36,958
Due to other funds	<u>12,624</u>	<u>8,069</u>	<u>20,693</u>
Total liabilities	<u>\$ 17,614</u>	<u>\$ 40,037</u>	<u>\$ 57,651</u>
Fund balances:			
Nonspendable:			
Inventories	\$ 3,925	\$ -	\$ 3,925
Restricted:			
CSA administration	<u>-</u>	<u>22,161</u>	<u>22,161</u>
Total fund balances	<u>\$ 3,925</u>	<u>\$ 22,161</u>	<u>\$ 26,086</u>
Total liabilities and fund balances	<u>\$ 21,539</u>	<u>\$ 62,198</u>	<u>\$ 83,737</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Special Revenue Funds  
 For the Year Ended June 30, 2013

<b>REVENUES</b>	<b>Airport Fund</b>	<b>CSA Fund</b>	<b>Total</b>
Revenue from the use of money and property	\$ 3,300	\$ -	\$ 3,300
Charges for services	8,583	-	8,583
Miscellaneous	-	4,176	4,176
Recovered costs	17,239	-	17,239
Intergovernmental revenues:			
Commonwealth	484	314,026	314,510
Federal	-	8,937	8,937
Total revenues	<u>\$ 29,606</u>	<u>\$ 327,139</u>	<u>\$ 356,745</u>
<b>EXPENDITURES</b>			
Current:			
Public works	\$ 61,205	\$ -	\$ 61,205
Health and welfare	-	462,257	462,257
Total expenditures	<u>\$ 61,205</u>	<u>\$ 462,257</u>	<u>\$ 523,462</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (31,599)</u>	<u>\$ (135,118)</u>	<u>\$ (166,717)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ 33,293	\$ 136,635	\$ 169,928
Total other financing sources (uses)	<u>\$ 33,293</u>	<u>\$ 136,635</u>	<u>\$ 169,928</u>
Net change in fund balances	\$ 1,694	\$ 1,517	\$ 3,211
Fund balances - beginning	2,231	20,644	22,875
Fund balances - ending	<u>\$ 3,925</u>	<u>\$ 22,161</u>	<u>\$ 26,086</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, 2013

	<b>Airport Fund</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 2,000	\$ 2,000	\$ 3,300	\$ 1,300
Charges for services	16,200	16,200	8,583	(7,617)
Miscellaneous	-	-	-	-
Recovered costs	16,885	16,885	17,239	354
Intergovernmental revenues:				
Commonwealth	-	-	484	484
Federal	-	-	-	-
Total revenues	<u>\$ 35,085</u>	<u>\$ 35,085</u>	<u>\$ 29,606</u>	<u>\$ (5,479)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	\$ 69,754	\$ 69,754	\$ 61,205	\$ 8,549
Health and welfare	-	-	-	-
Total expenditures	<u>\$ 69,754</u>	<u>\$ 69,754</u>	<u>\$ 61,205</u>	<u>\$ 8,549</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (34,669)</u>	<u>\$ (34,669)</u>	<u>\$ (31,599)</u>	<u>\$ 3,070</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 34,669	\$ 34,669	\$ 33,293	\$ (1,376)
Total other financing sources (uses)	<u>\$ 34,669</u>	<u>\$ 34,669</u>	<u>\$ 33,293</u>	<u>\$ (1,376)</u>
Net change in fund balances	\$ -	\$ -	\$ 1,694	\$ 1,694
Fund balances - beginning	-	-	2,231	2,231
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,925</u></u>	<u><u>\$ 3,925</u></u>

Exhibit 15

<b>CSA Fund</b>			
<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Original</b>	<b>Final</b>		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
4,000	4,000	4,176	176
-	-	-	-
619,110	619,110	314,026	(305,084)
12,200	12,200	8,937	(3,263)
<u>\$ 635,310</u>	<u>\$ 635,310</u>	<u>\$ 327,139</u>	<u>\$ (308,171)</u>
\$ -	\$ -	\$ -	\$ -
888,360	888,360	462,257	426,103
<u>\$ 888,360</u>	<u>\$ 888,360</u>	<u>\$ 462,257</u>	<u>\$ 426,103</u>
\$ (253,050)	\$ (253,050)	\$ (135,118)	\$ 117,932
\$ 253,050	\$ 253,050	\$ 136,635	\$ (116,415)
<u>\$ 253,050</u>	<u>\$ 253,050</u>	<u>\$ 136,635</u>	<u>\$ (116,415)</u>
\$ -	\$ -	\$ 1,517	\$ 1,517
-	-	20,644	20,644
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,161</u>	<u>\$ 22,161</u>

Combining Statement of Fiduciary Net Position  
 Fiduciary Funds  
 June 30, 2013

	<u>Agency Funds</u>			
	<u>Special Welfare Fund</u>	<u>Sheriff Funds</u>	<u>Bond Escrow Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,241	\$ 1,983	\$ 22,755	\$ 28,979
Total assets	<u>\$ 4,241</u>	<u>\$ 1,983</u>	<u>\$ 22,755</u>	<u>\$ 28,979</u>
<b>LIABILITIES</b>				
Amounts held for social services clients	\$ 4,241	\$ -	\$ -	\$ 4,241
Amounts held for others	-	1,983	-	1,983
Escrow deposits payable	-	-	22,755	22,755
Total liabilities	<u>\$ 4,241</u>	<u>\$ 1,983</u>	<u>\$ 22,755</u>	<u>\$ 28,979</u>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 For the Year Ended June 30, 2013

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
<b>SPECIAL WELFARE FUND:</b>				
Assets				
Cash and cash equivalents	\$ 4,656	\$ 2,389	\$ 2,804	\$ 4,241
Liabilities				
Amounts held for social services clients	\$ 4,656	\$ 2,389	\$ 2,804	\$ 4,241
<b>SHERIFF FUNDS:</b>				
Assets				
Cash and cash equivalents	\$ 3,576	\$ 73,451	\$ 75,044	\$ 1,983
Liabilities				
Amounts held for others	\$ 3,576	\$ 73,451	\$ 75,044	\$ 1,983
<b>BOND ESCROW FUND:</b>				
Assets				
Cash and cash equivalents	\$ 22,755	\$ -	\$ -	\$ 22,755
Liabilities				
Escrow deposits payable	\$ 22,755	\$ -	\$ -	\$ 22,755
<b>UNDISTRIBUTED LOCAL SALES TAX FUND:</b>				
Assets				
Due from other governmental units	\$ -	\$ 874,517	\$ 874,517	\$ -
Liabilities				
Due to other funds	\$ -	\$ 874,517	\$ 874,517	\$ -
<b>TOTALS - ALL AGENCY FUNDS:</b>				
Assets				
Cash and cash equivalents	\$ 30,987	\$ 75,840	\$ 77,848	\$ 28,979
Due from other governmental units	-	874,517	874,517	-
Total assets	<u>\$ 30,987</u>	<u>\$ 950,357</u>	<u>\$ 952,365</u>	<u>\$ 28,979</u>
Liabilities				
Due to other funds	\$ -	\$ 874,517	\$ 874,517	\$ -
Amounts held for social services clients	4,656	2,389	2,804	4,241
Amounts held for others	3,576	73,451	75,044	1,983
Escrow deposits payable	22,755	-	-	22,755
Total liabilities	<u>\$ 30,987</u>	<u>\$ 950,357</u>	<u>\$ 952,365</u>	<u>\$ 28,979</u>

Combining Balance Sheet  
 Discretely Presented Component Unit - School Board  
 June 30, 2013

	<u>School Operating Fund</u>	<u>School Cafeteria Fund</u>	<u>School Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,017,015	\$ 265,711	\$ -	\$ 1,282,726
Receivables (net of allowance for uncollectibles):				
Accounts receivable	13,857	6,652	-	20,509
Due from other governmental units	971,957	41,007	-	1,012,964
Total assets	<u>\$ 2,002,829</u>	<u>\$ 313,370</u>	<u>\$ -</u>	<u>\$ 2,316,199</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 127,128	\$ 38,004	\$ -	\$ 165,132
Accrued liabilities	1,875,201	28,910	-	1,904,111
Total liabilities	<u>\$ 2,002,329</u>	<u>\$ 66,914</u>	<u>\$ -</u>	<u>\$ 2,069,243</u>
Fund balances:				
Committed:				
Cafeteria operations	\$ -	\$ 246,456	\$ -	\$ 246,456
Unassigned:				
School operations	500	-	-	500
Total fund balances	<u>\$ 500</u>	<u>\$ 246,456</u>	<u>\$ -</u>	<u>\$ 246,956</u>
Total liabilities and fund balances	<u>\$ 2,002,829</u>	<u>\$ 313,370</u>	<u>\$ -</u>	<u>\$ 2,316,199</u>
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:				
Total fund balances per above			\$	246,956
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				
Land			\$ 25,822	
Buildings and improvements			6,071,163	
Machinery, equipment, and vehicles			<u>1,053,510</u>	7,150,495
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.				
Compensated absences			\$ (569,417)	
Net OPEB obligation			<u>(251,980)</u>	<u>(821,397)</u>
Net position of governmental activities			\$	<u>6,576,054</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, 2013

	<u>School Operating Fund</u>	<u>School Cafeteria Fund</u>	<u>School Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 1,600	\$ -	\$ -	\$ 1,600
Charges for services	-	218,880	-	218,880
Miscellaneous	459,395	990	-	460,385
Intergovernmental revenues:				
Local government	4,924,918	-	76,000	5,000,918
Commonwealth	13,670,948	11,805	-	13,682,753
Federal	2,244,765	976,303	-	3,221,068
Total revenues	<u>\$ 21,301,626</u>	<u>\$ 1,207,978</u>	<u>\$ 76,000</u>	<u>\$ 22,585,604</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 20,538,588	\$ 1,174,396	\$ -	\$ 21,712,984
Capital projects	787,253	-	176,785	964,038
Total expenditures	<u>\$ 21,325,841</u>	<u>\$ 1,174,396</u>	<u>\$ 176,785</u>	<u>\$ 22,677,022</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (24,215)</u>	<u>\$ 33,582</u>	<u>\$ (100,785)</u>	<u>\$ (91,418)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 24,215	\$ -	\$ -	\$ 24,215
Transfers out	-	-	(24,215)	(24,215)
Sale of capital assets	-	-	125,000	125,000
Total other financing sources (uses)	<u>\$ 24,215</u>	<u>\$ -</u>	<u>\$ 100,785</u>	<u>\$ 125,000</u>
Net change in fund balances	\$ -	\$ 33,582	\$ -	\$ 33,582
Fund balances - beginning	500	212,874	-	213,374
Fund balances - ending	<u>\$ 500</u>	<u>\$ 246,456</u>	<u>\$ -</u>	<u>\$ 246,956</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				\$ 33,582
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			\$ 340,918	
Depreciation			(416,357)	
Adjustment for jointly owned assets			527,135	
Depreciation adjustment for jointly owned assets			<u>(200,091)</u>	251,605
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			\$ (15,401)	
Net OPEB obligation			<u>(58,594)</u>	<u>(73,995)</u>
Change in net position of governmental activities				<u>\$ 211,192</u>

**COUNTY OF BRUNSWICK, VIRGINIA**

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Discretely Presented Component Unit - School Board  
 For the Year Ended June 30, 2013

	<b>School Operating Fund</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 1,000	\$ 1,000	\$ 1,600	\$ 600
Charges for services	4,500	4,500	-	(4,500)
Miscellaneous	430,500	430,500	459,395	28,895
Intergovernmental revenues:				
Local government	4,592,672	4,924,918	4,924,918	-
Commonwealth	14,303,243	14,324,884	13,670,948	(653,936)
Federal	2,707,759	2,944,560	2,244,765	(699,795)
Total revenues	<u>\$ 22,039,674</u>	<u>\$ 22,630,362</u>	<u>\$ 21,301,626</u>	<u>\$ (1,328,736)</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 21,053,298	\$ 21,534,659	\$ 20,538,588	\$ 996,071
Capital projects	986,376	1,119,918	787,253	332,665
Total expenditures	<u>\$ 22,039,674</u>	<u>\$ 22,654,577</u>	<u>\$ 21,325,841</u>	<u>\$ 1,328,736</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (24,215)</u>	<u>\$ (24,215)</u>	<u>\$ -</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ 24,215	\$ 24,215	\$ -
Transfers out	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 24,215</u>	<u>\$ 24,215</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	500	500
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 500</u>

School Cafeteria Fund				School Capital Projects Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
384,200	384,200	218,880	(165,320)	-	-	-	-
-	-	990	990	-	-	-	-
-	-	-	-	76,000	76,000	76,000	-
13,440	13,440	11,805	(1,635)	-	-	-	-
820,000	820,000	976,303	156,303	-	-	-	-
<u>\$ 1,217,640</u>	<u>\$ 1,217,640</u>	<u>\$ 1,207,978</u>	<u>\$ (9,662)</u>	<u>\$ 76,000</u>	<u>\$ 76,000</u>	<u>\$ 76,000</u>	<u>\$ -</u>
\$ 1,217,640	\$ 1,217,640	\$ 1,174,396	\$ 43,244	\$ -	\$ -	\$ -	\$ -
-	-	-	-	76,000	201,000	176,785	24,215
<u>\$ 1,217,640</u>	<u>\$ 1,217,640</u>	<u>\$ 1,174,396</u>	<u>\$ 43,244</u>	<u>\$ 76,000</u>	<u>\$ 201,000</u>	<u>\$ 176,785</u>	<u>\$ 24,215</u>
\$ -	\$ -	\$ 33,582	\$ 33,582	\$ -	\$ (125,000)	\$ (100,785)	\$ 24,215
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	(24,215)	(24,215)	-
-	-	-	-	-	125,000	125,000	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,785</u>	<u>\$ 100,785</u>	<u>\$ -</u>
\$ -	\$ -	\$ 33,582	\$ 33,582	\$ -	\$ (24,215)	\$ -	\$ 24,215
-	-	212,874	212,874	-	24,215	-	(24,215)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 246,456</u>	<u>\$ 246,456</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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## **Supporting Schedules**

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Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2013

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 5,850,000	\$ 5,850,000	\$ 5,989,186	\$ 139,186
Real and personal public service corporation taxes	210,000	210,000	287,567	77,567
Personal property taxes	2,163,700	2,163,700	2,164,575	875
Mobile home taxes	21,000	21,000	40,111	19,111
Machinery and tools taxes	283,000	283,000	458,641	175,641
Merchants capital taxes	117,000	117,000	170,594	53,594
Penalties	90,000	90,000	125,482	35,482
Interest	45,000	45,000	67,064	22,064
Total general property taxes	<u>\$ 8,779,700</u>	<u>\$ 8,779,700</u>	<u>\$ 9,303,220</u>	<u>\$ 523,520</u>
Other local taxes:				
Local sales and use taxes	\$ 630,000	\$ 630,000	\$ 817,266	\$ 187,266
Consumers' utility taxes	255,000	255,000	254,641	(359)
Bank stock taxes	15,000	15,000	15,838	838
Franchise license taxes	25,000	25,000	31,237	6,237
Motor vehicle licenses	346,000	346,000	339,161	(6,839)
Taxes on recordation and wills	65,000	65,000	99,108	34,108
Utility consumption taxes	45,000	45,000	45,617	617
Hotel and motel room taxes	15,000	15,000	16,965	1,965
Total other local taxes	<u>\$ 1,396,000</u>	<u>\$ 1,396,000</u>	<u>\$ 1,619,833</u>	<u>\$ 223,833</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 27,000	\$ 27,000	\$ 24,360	\$ (2,640)
Zoning application fees	6,000	6,000	6,975	975
Transfer fees	600	600	623	23
Permits and other licenses	50,000	50,000	34,176	(15,824)
Total permits, privilege fees, and regulatory licenses	<u>\$ 83,600</u>	<u>\$ 83,600</u>	<u>\$ 66,134</u>	<u>\$ (17,466)</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 750,000	\$ 800,000	\$ 1,106,107	\$ 306,107
Interest on court fines and forfeitures	-	-	4,520	4,520
Total fines and forfeitures	<u>750,000</u>	<u>800,000</u>	<u>1,110,627</u>	<u>310,627</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 125,000	\$ 125,000	\$ 127,025	\$ 2,025
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>\$ 149,625</u>	<u>\$ 2,025</u>
Charges for services:				
Charges for law enforcement and traffic control	\$ 1,000	\$ 1,000	\$ 990	\$ (10)
Charges for courthouse maintenance	29,000	29,000	37,115	8,115
Charges for court costs	150,000	150,000	191,517	41,517
Law library fees	2,000	2,000	1,590	(410)
Charges for Commonwealth's Attorney	1,000	1,000	3,076	2,076

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2013 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Revenue from local sources: (Continued)				
Charges for services: (Continued)				
Miscellaneous jail and inmate fees	\$ 5,000	\$ 5,000	\$ 6,945	\$ 1,945
Animal shelter fees	100	100	105	5
Charges for sanitation and waste removal	155,000	156,130	139,050	(17,080)
Charges for landfill host fees	200,000	200,000	275,513	75,513
Charges for planning and community development	1,500	1,500	3,211	1,711
Charges for off-track betting	25,000	25,000	22,616	(2,384)
Total charges for services	<u>\$ 569,600</u>	<u>\$ 570,730</u>	<u>\$ 681,728</u>	<u>\$ 110,998</u>
Miscellaneous revenue:				
Miscellaneous	\$ 15,000	\$ 19,682	\$ 77,405	\$ 57,723
Total miscellaneous revenue	<u>\$ 15,000</u>	<u>\$ 19,682</u>	<u>\$ 77,405</u>	<u>\$ 57,723</u>
Recovered costs:				
Landfill inspection fees	\$ 135,000	\$ 135,000	\$ 142,402	\$ 7,402
Tax bills - Lawrenceville	2,000	2,000	2,388	388
School resource officer	96,435	96,435	96,435	-
Clerk of Circuit Court copy cost reimbursement	-	-	2,744	2,744
Total recovered costs	<u>\$ 233,435</u>	<u>\$ 233,435</u>	<u>\$ 243,969</u>	<u>\$ 10,534</u>
Total revenue from local sources	<u>\$ 11,974,935</u>	<u>\$ 12,030,747</u>	<u>\$ 13,252,541</u>	<u>\$ 1,221,794</u>
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Spay neuter	\$ -	\$ -	\$ 4	\$ 4
Grantor's tax	15,000	15,000	25,837	10,837
Mobile home titling tax	45,000	45,000	22,827	(22,173)
Rolling stock tax	8,500	8,500	7,673	(827)
Motor vehicle rental tax	-	-	40	40
State recordation tax	22,000	22,000	31,578	9,578
Personal property tax relief funds	1,355,735	1,355,735	1,355,736	1
Communication taxes	435,000	435,000	428,463	(6,537)
Reduction in State Aid	(100,000)	(100,000)	(83,722)	16,278
Total noncategorical aid	<u>\$ 1,781,235</u>	<u>\$ 1,781,235</u>	<u>\$ 1,788,436</u>	<u>\$ 7,201</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 310,000	\$ 310,000	\$ 311,607	\$ 1,607
Sheriff	950,000	950,000	971,141	21,141
Commissioner of revenue	86,000	86,000	87,181	1,181
Treasurer	78,000	78,000	78,240	240
Registrar/electoral board	36,000	41,000	40,212	(788)
Clerk of the Circuit Court	196,000	202,377	210,954	8,577
Total shared expenses	<u>\$ 1,656,000</u>	<u>\$ 1,667,377</u>	<u>\$ 1,699,335</u>	<u>\$ 31,958</u>

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2013 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Intergovernmental revenues: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid:				
Emergency medical services - four for life	\$ 16,000	\$ 17,518	\$ 15,518	\$ (2,000)
Fire program funds	48,000	48,000	-	(48,000)
Mini training grant	-	2,315	-	(2,315)
Litter control grant	7,000	8,386	8,386	-
Care of prisoners	-	-	34,832	34,832
Emergency management grant	-	-	1,089	1,089
Victim witness grant	55,000	55,306	57,229	1,923
PSAP - Phase II - Wireless	70,000	70,000	221,306	151,306
DMV license agent commission	19,500	19,500	21,666	2,166
Drug forfeiture funds	50,000	50,000	57,875	7,875
Arts Grant	5,000	5,000	5,000	-
Pesticide grant	-	1,845	1,845	-
Other grants	2,000	15,760	1,236	(14,524)
Total other categorical aid	<u>\$ 272,500</u>	<u>\$ 293,630</u>	<u>\$ 425,982</u>	<u>\$ 132,352</u>
Total categorical aid	<u>\$ 1,928,500</u>	<u>\$ 1,961,007</u>	<u>\$ 2,125,317</u>	<u>\$ 164,310</u>
Total revenue from the Commonwealth	<u>\$ 3,709,735</u>	<u>\$ 3,742,242</u>	<u>\$ 3,913,753</u>	<u>\$ 171,511</u>
Revenue from the federal government:				
Categorical aid:				
Local law enforcement block grant	\$ -	\$ 1,607	\$ 1,607	-
Drug forfeiture funds	10,000	10,000	4,294	(5,706)
Cost allocation plan	30,000	30,000	45,135	15,135
FEMA grant	-	-	4,085	4,085
Linx maintenance grant	-	3,483	3,483	-
HSI allotment	-	2,500	2,125	(375)
Total categorical aid	<u>\$ 40,000</u>	<u>\$ 47,590</u>	<u>\$ 60,729</u>	<u>\$ 13,139</u>
Total revenue from the federal government	<u>\$ 40,000</u>	<u>\$ 47,590</u>	<u>\$ 60,729</u>	<u>\$ 13,139</u>
Total General Fund	<u>\$ 15,724,670</u>	<u>\$ 15,820,579</u>	<u>\$ 17,227,023</u>	<u>\$ 1,406,444</u>
<b>Special Revenue Funds:</b>				
<b>Virginia Public Assistance Fund:</b>				
Revenue from local sources:				
Miscellaneous revenue:				
Expenditure refunds	\$ -	\$ -	\$ 3,020	\$ 3,020
Other miscellaneous	-	-	3,690	3,690
Total miscellaneous revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,710</u>	<u>\$ 6,710</u>
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	<u>\$ 693,016</u>	<u>\$ 693,016</u>	<u>\$ 572,535</u>	<u>\$ (120,481)</u>
Total revenue from the Commonwealth	<u>\$ 693,016</u>	<u>\$ 693,016</u>	<u>\$ 572,535</u>	<u>\$ (120,481)</u>

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2013 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Special Revenue Funds: (Continued)</b>				
<b>Virginia Public Assistance Fund: (Continued)</b>				
Intergovernmental revenues: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 1,057,074	\$ 1,057,074	\$ 928,566	\$ (128,508)
Total revenue from the federal government	<u>\$ 1,057,074</u>	<u>\$ 1,057,074</u>	<u>\$ 928,566</u>	<u>\$ (128,508)</u>
Total Virginia Public Assistance Fund	<u>\$ 1,750,090</u>	<u>\$ 1,750,090</u>	<u>\$ 1,507,811</u>	<u>\$ (242,279)</u>
<b>Airport Commission Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 2,000	\$ 2,000	\$ 3,300	\$ 1,300
Charges for services:				
Sale of fuel	\$ 16,200	\$ 16,200	\$ 8,583	\$ (7,617)
Recovered costs:				
Recovered costs - Lawrenceville	\$ 16,885	\$ 16,885	\$ 17,239	\$ 354
Total revenue from local sources	<u>\$ 35,085</u>	<u>\$ 35,085</u>	<u>\$ 29,122</u>	<u>\$ (5,963)</u>
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
Department of aviation grant	\$ -	\$ -	\$ 484	\$ 484
Total revenue from the Commonwealth	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 484</u>	<u>\$ 484</u>
Total Airport Commission Fund	<u>\$ 35,085</u>	<u>\$ 35,085</u>	<u>\$ 29,606</u>	<u>\$ (5,479)</u>
<b>CSA Fund:</b>				
Revenue from local sources:				
Miscellaneous revenue:				
Expenditure refunds	\$ 4,000	\$ 4,000	\$ 4,176	\$ 176
Total miscellaneous revenue	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 4,176</u>	<u>\$ 176</u>
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
Comprehensive Services Act	\$ 617,560	\$ 617,560	\$ 312,894	\$ (304,666)
PSSF grant	1,550	1,550	1,132	(418)
Total categorical aid	<u>\$ 619,110</u>	<u>\$ 619,110</u>	<u>\$ 314,026</u>	<u>\$ (305,084)</u>
Total revenue from the Commonwealth	<u>\$ 619,110</u>	<u>\$ 619,110</u>	<u>\$ 314,026</u>	<u>\$ (305,084)</u>
Revenue from the federal government:				
Categorical aid:				
PSSF grant	\$ 12,200	\$ 12,200	\$ 8,937	\$ (3,263)
Total CSA Fund	<u>\$ 635,310</u>	<u>\$ 635,310</u>	<u>\$ 327,139</u>	<u>\$ (308,171)</u>

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2013 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Debt Service Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 10,000	\$ 10,000	\$ 39,595	\$ 29,595
Intergovernmental revenues:				
Revenue from the federal government:				
Categorical aid:				
Federal interest subsidy	\$ 65,025	\$ 62,196	\$ 62,196	\$ -
Total Debt Service Fund	<u>\$ 75,025</u>	<u>\$ 72,196</u>	<u>\$ 101,791</u>	<u>\$ 29,595</u>
<b>Capital Projects Funds:</b>				
<b>County Capital Improvements Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 10,000	\$ 10,000	\$ 10,179	\$ 179
Recovered costs:				
Lawrenceville share of grant	\$ -	\$ -	\$ 150	\$ 150
Total revenue from local sources	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,329</u>	<u>\$ 329</u>
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
E911 Wireless	\$ 5,000	\$ 5,000	\$ 4,586	\$ (414)
Tobacco grant	383,375	383,375	19,499	(363,876)
Department of Aviation grant	-	-	3,732	3,732
Total categorical aid	<u>\$ 388,375</u>	<u>\$ 388,375</u>	<u>\$ 27,817</u>	<u>\$ (360,558)</u>
Total revenue from the Commonwealth	<u>\$ 388,375</u>	<u>\$ 388,375</u>	<u>\$ 27,817</u>	<u>\$ (360,558)</u>
Revenue from the federal government:				
Categorical aid:				
Community Development Block Grant	\$ 1,201,892	\$ 1,216,892	\$ 575,990	\$ (640,902)
Homeland Security Grant - Sheriff Response Vehicle	-	316,000	316,000	-
VDOT grant	603,794	603,794	37,879	(565,915)
Total categorical aid	<u>\$ 1,805,686</u>	<u>\$ 2,136,686</u>	<u>\$ 929,869</u>	<u>\$ (1,206,817)</u>
Total revenue from the federal government	<u>\$ 1,805,686</u>	<u>\$ 2,136,686</u>	<u>\$ 929,869</u>	<u>\$ (1,206,817)</u>
Total County Capital Improvements Fund	<u>\$ 2,204,061</u>	<u>\$ 2,535,061</u>	<u>\$ 968,015</u>	<u>\$ (1,567,046)</u>
<b>DF School Capital Projects Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 955	\$ 955
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 955</u>	<u>\$ 955</u>
Total DF School Capital Projects Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 955</u>	<u>\$ 955</u>
Total Primary Government	<u>\$ 20,424,241</u>	<u>\$ 20,848,321</u>	<u>\$ 20,162,340</u>	<u>\$ (685,981)</u>

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2013 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 1,000	\$ 1,000	\$ 1,600	\$ 600
Charges for services:				
Charges for education	\$ 4,500	\$ 4,500	\$ -	\$ (4,500)
Miscellaneous revenue:				
E-Rate	\$ 220,000	\$ 220,000	\$ 216,742	\$ (3,258)
Other miscellaneous	210,500	210,500	242,653	32,153
Total miscellaneous revenue	\$ 430,500	\$ 430,500	\$ 459,395	\$ 28,895
Total revenue from local sources	\$ 436,000	\$ 436,000	\$ 460,995	\$ 24,995
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Brunswick, Virginia	\$ 4,592,672	\$ 4,924,918	\$ 4,924,918	\$ -
Total revenues from local governments	\$ 4,592,672	\$ 4,924,918	\$ 4,924,918	\$ -
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,344,311	\$ 2,316,311	\$ 2,316,316	\$ 5
Basic school aid	6,223,393	6,093,393	5,830,267	(263,126)
Remedial summer education	66,068	66,068	88,768	22,700
Regular foster care	17,003	17,003	3,091	(13,912)
Special education foster care	-	-	10,199	10,199
Adult secondary education	13,590	59,999	54,268	(5,731)
Gifted and talented	65,241	65,241	62,042	(3,199)
Remedial education	415,554	415,554	395,182	(20,372)
Special education	1,119,926	1,119,926	1,064,158	(55,768)
Textbook payment	127,262	127,262	112,272	(14,990)
Vocational standards of quality payments	204,231	204,231	194,219	(10,012)
Vocational education - equipment	-	-	24,536	24,536
Vocational occupational preparedness	30,179	30,179	5,421	(24,758)
Social security fringe benefits	431,155	431,155	410,018	(21,137)
Retirement fringe benefits	830,020	830,020	685,161	(144,859)
Group life fringe benefits	26,947	26,947	25,626	(1,321)
Early reading intervention	42,491	42,491	42,491	-
Homebound education	18,349	18,349	14,082	(4,267)
At risk payments	670,526	670,526	637,364	(33,162)
At risk payments - 4 year olds	263,025	263,025	232,081	(30,944)

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2013 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>School Operating Fund: (Continued)</b>				
Intergovernmental revenues: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
State disparity initiatives	\$ 622,128	\$ 622,128	\$ 641,690	\$ 19,562
Alternative education	393,365	393,365	393,384	19
Technology	206,000	336,532	184,593	(151,939)
Standards of Learning algebra readiness	48,134	48,134	43,555	(4,579)
Mentor teacher program	1,616	1,616	2,453	837
English as a second language	10,196	10,196	8,115	(2,081)
Additional Assist Retirement Inflation Preschool Cost	-	-	172,639	172,639
Other state funds	112,533	115,233	16,957	(98,276)
Total categorical aid	<u>\$ 14,303,243</u>	<u>\$ 14,324,884</u>	<u>\$ 13,670,948</u>	<u>\$ (653,936)</u>
Total revenue from the Commonwealth	<u>\$ 14,303,243</u>	<u>\$ 14,324,884</u>	<u>\$ 13,670,948</u>	<u>\$ (653,936)</u>
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 1,033,842	\$ 1,111,158	\$ 766,610	\$ (344,548)
Title VI-B, special education flow-through	511,868	575,064	536,972	(38,092)
Vocational education	55,000	55,000	48,068	(6,932)
Title VI-B, special education pre-school	11,897	14,808	13,885	(923)
Rural and low income schools	53,000	74,690	33,561	(41,129)
Title II, Part A	183,052	215,905	156,531	(59,374)
Title II, Part D	8,100	8,410	310	(8,100)
Head Start	100,000	75,567	50,473	(25,094)
JROTC	51,000	51,000	69,079	18,079
Forest reserve fund	-	-	30,166	30,166
School Improvement Grants	700,000	762,958	539,110	(223,848)
Total categorical aid	<u>\$ 2,707,759</u>	<u>\$ 2,944,560</u>	<u>\$ 2,244,765</u>	<u>\$ (699,795)</u>
Total revenue from the federal government	<u>\$ 2,707,759</u>	<u>\$ 2,944,560</u>	<u>\$ 2,244,765</u>	<u>\$ (699,795)</u>
Total School Operating Fund	<u>\$ 22,039,674</u>	<u>\$ 22,630,362</u>	<u>\$ 21,301,626</u>	<u>\$ (1,328,736)</u>

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2013 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>Special Revenue Fund:</b>				
<b>School Cafeteria Fund:</b>				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	\$ 384,200	\$ 384,200	\$ 218,880	\$ (165,320)
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 990	\$ 990
Total revenue from local sources	\$ 384,200	\$ 384,200	\$ 219,870	\$ (164,330)
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 13,440	\$ 13,440	\$ 11,805	\$ (1,635)
Total categorical aid	\$ 13,440	\$ 13,440	\$ 11,805	\$ (1,635)
Total revenue from the Commonwealth	\$ 13,440	\$ 13,440	\$ 11,805	\$ (1,635)
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 820,000	\$ 820,000	\$ 816,683	\$ (3,317)
Fresh fruit and vegetables grant	-	-	66,174	66,174
Summer feeding program	-	-	24,896	24,896
Commodities	-	-	68,550	68,550
Total categorical aid	\$ 820,000	\$ 820,000	\$ 976,303	\$ 156,303
Total School Cafeteria Fund	\$ 1,217,640	\$ 1,217,640	\$ 1,207,978	\$ (9,662)
<b>Capital Projects Fund:</b>				
<b>School Capital Improvements Fund:</b>				
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Brunswick, Virginia	\$ 76,000	\$ 76,000	\$ 76,000	\$ -
Total School Capital Improvements Fund	\$ 76,000	\$ 76,000	\$ 76,000	\$ -
Total Discretely Presented Component Unit - School Board	\$ 23,333,314	\$ 23,924,002	\$ 22,585,604	\$ (1,338,398)

Schedule of Expenditures - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2013

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 184,730	\$ 197,217	\$ 197,217	\$ -
General and financial administration:				
County administrator	\$ 274,707	\$ 279,707	\$ 278,887	\$ 820
Independent auditor	28,500	28,500	28,500	-
Commissioner of revenue	227,421	227,421	226,643	778
Treasurer	249,169	249,169	247,748	1,421
Finance department	244,121	244,114	244,081	33
DMV select	19,500	19,500	18,628	872
Total general and financial administration	<u>\$ 1,043,418</u>	<u>\$ 1,048,411</u>	<u>\$ 1,044,487</u>	<u>\$ 3,924</u>
Board of elections:				
Electoral board and officials	\$ 34,578	\$ 43,258	\$ 43,194	\$ 64
Registrar	88,941	88,941	83,376	5,565
Total board of elections	<u>\$ 123,519</u>	<u>\$ 132,199</u>	<u>\$ 126,570</u>	<u>\$ 5,629</u>
Total general government administration	<u>\$ 1,351,667</u>	<u>\$ 1,377,827</u>	<u>\$ 1,368,274</u>	<u>\$ 9,553</u>
Judicial administration:				
Courts:				
Circuit court	\$ 31,191	\$ 33,166	\$ 33,089	\$ 77
General district court	13,955	16,467	16,467	-
Special magistrates	1,698	1,165	555	610
Clerk of the circuit court	297,627	304,004	303,682	322
Law library	2,000	2,000	976	1,024
Victim/witness assistance program	69,133	69,439	69,439	-
Courthouse security	412,403	451,282	427,486	23,796
Total courts	<u>\$ 828,007</u>	<u>\$ 877,523</u>	<u>\$ 851,694</u>	<u>\$ 25,829</u>
Commonwealth's attorney:				
Commonwealth's attorney	\$ 440,004	\$ 441,704	\$ 440,788	\$ 916
Asset forfeiture	25,000	35,000	22,290	12,710
Total commonwealth's attorney	<u>\$ 465,004</u>	<u>\$ 476,704</u>	<u>\$ 463,078</u>	<u>\$ 13,626</u>
Total judicial administration	<u>\$ 1,293,011</u>	<u>\$ 1,354,227</u>	<u>\$ 1,314,772</u>	<u>\$ 39,455</u>
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,651,984	\$ 1,744,635	\$ 1,744,506	\$ 129
Sheriff - line of duty	21,357	21,357	21,357	-
Asset forfeiture	35,000	95,955	89,105	6,850
E911 system	604,943	574,942	567,188	7,754
School resource officer	100,029	100,029	96,435	3,594
Total law enforcement and traffic control	<u>\$ 2,413,313</u>	<u>\$ 2,536,918</u>	<u>\$ 2,518,591</u>	<u>\$ 18,327</u>

Schedule of Expenditures - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2013 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Public safety: (Continued)				
Fire and rescue services:				
Fire and rescue	\$ 301,602	\$ 306,187	\$ 258,130	\$ 48,057
Medflight program	770	770	770	-
Division of forestry	23,133	23,133	23,133	-
Total fire and rescue services	<u>\$ 325,505</u>	<u>\$ 330,090</u>	<u>\$ 282,033</u>	<u>\$ 48,057</u>
Correction and detention:				
Sheriff	\$ -	\$ -	\$ (69)	\$ 69
Meherrin River Regional Jail Authority	1,857,587	1,857,588	1,857,588	-
VJCCA	635	635	635	-
Probation office	51,410	100,555	100,555	-
Total correction and detention	<u>\$ 1,909,632</u>	<u>\$ 1,958,778</u>	<u>\$ 1,958,709</u>	<u>\$ 69</u>
Inspections:				
Building	\$ 116,344	\$ 116,344	\$ 111,173	\$ 5,171
Total inspections	<u>\$ 116,344</u>	<u>\$ 116,344</u>	<u>\$ 111,173</u>	<u>\$ 5,171</u>
Other protection:				
Animal control	\$ 132,490	\$ 132,490	\$ 129,779	\$ 2,711
Medical examiner	270	270	60	210
Emergency services	8,457	8,461	8,461	-
Total other protection	<u>\$ 141,217</u>	<u>\$ 141,221</u>	<u>\$ 138,300</u>	<u>\$ 2,921</u>
Total public safety	<u>\$ 4,906,011</u>	<u>\$ 5,083,351</u>	<u>\$ 5,008,806</u>	<u>\$ 74,545</u>
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Highways, streets, bridges and sidewalks	\$ 25,000	\$ 25,000	\$ -	\$ 25,000
Sanitation and waste removal:				
Refuse collection and disposal	\$ 730,349	\$ 734,122	\$ 728,686	\$ 5,436
Litter control	7,000	8,386	8,385	1
Inmate litter control	37,359	37,359	36,614	745
Lake Gaston weed control	29,315	29,315	29,315	-
Total sanitation and waste removal	<u>\$ 804,023</u>	<u>\$ 809,182</u>	<u>\$ 803,000</u>	<u>\$ 6,182</u>
Maintenance of general buildings and grounds:				
General properties	\$ 325,293	\$ 446,221	\$ 446,221	\$ -
Courthouse maintenance	29,000	41,310	36,238	5,072
General engineering/administration	161,337	152,027	140,709	11,318
Total maintenance of general buildings and grounds	<u>\$ 515,630</u>	<u>\$ 639,558</u>	<u>\$ 623,168</u>	<u>\$ 16,390</u>
Total public works	<u>\$ 1,344,653</u>	<u>\$ 1,473,740</u>	<u>\$ 1,426,168</u>	<u>\$ 47,572</u>

Schedule of Expenditures - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2013 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
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	\$ 43,448	\$ 40
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	\$ 143,974	\$ 40
Education:				
Other instructional costs:				
Contributions to Southside Virginia Community College	\$ 3,676	\$ 3,676	\$ 3,676	\$ -
Contribution to County School Board	4,592,672	4,924,918	4,924,918	-
Head Start program	38,475	38,475	38,475	-
Total education	\$ 4,634,823	\$ 4,967,069	\$ 4,967,069	\$ -
Parks, recreation, and cultural:				
Parks and recreation:				
Recreation youth league	\$ 12,505	\$ 12,505	\$ 12,505	\$ -
Water safety council	3,500	3,500	3,391	109
Total parks and recreation	\$ 16,005	\$ 16,005	\$ 15,896	\$ 109
Cultural enrichment:				
Historical society	\$ 900	\$ 900	\$ 900	\$ -
Chamber of commerce	3,159	3,159	3,159	-
Tourism association	15,102	15,602	15,602	-
Taste of Brunswick festival	-	5,000	5,000	-
Total cultural enrichment	\$ 19,161	\$ 24,661	\$ 24,661	\$ -
Library:				
Contribution to regional library	\$ 180,592	\$ 180,592	\$ 180,592	\$ -
Total parks, recreation, and cultural	\$ 215,758	\$ 221,258	\$ 221,149	\$ 109
Community development:				
Planning and community development:				
Planning	\$ 179,560	\$ 193,320	\$ 167,621	\$ 25,699
Industrial development authority	73,872	73,872	73,872	-
Regional planning commission	23,793	23,793	23,793	-
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, 2013 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Community development: (Continued)				
Planning and community development: (Continued)				
Brunswick literacy council	\$ 3,501	\$ 3,501	\$ 3,501	\$ -
Mecklenburg - Brunswick regional airport	5,000	5,000	5,000	-
Art bank	10,000	10,000	10,000	-
Total planning and community development	<u>\$ 300,726</u>	<u>\$ 314,486</u>	<u>\$ 288,787</u>	<u>\$ 25,699</u>
Environmental management:				
Contribution to soil and water district	\$ 11,543	\$ 11,543	\$ 11,543	\$ -
Cooperative extension program:				
Extension office	\$ 58,260	\$ 60,105	\$ 58,118	\$ 1,987
Total community development	<u>\$ 370,529</u>	<u>\$ 386,134</u>	<u>\$ 358,448</u>	<u>\$ 27,686</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	\$ 316,501	\$ 316,501	\$ 316,637	\$ (136)
Interest and other fiscal charges	57,035	57,035	56,899	136
Total debt service	<u>\$ 373,536</u>	<u>\$ 373,536</u>	<u>\$ 373,536</u>	<u>\$ -</u>
Total General Fund	<u>\$ 14,641,502</u>	<u>\$ 15,388,656</u>	<u>\$ 15,189,696</u>	<u>\$ 198,960</u>
<b>Special Revenue Funds:</b>				
<b>Virginia Public Assistance Fund:</b>				
Health and welfare:				
Welfare and social services:				
Welfare administration	\$ 1,526,217	\$ 1,543,984	\$ 1,510,038	\$ 33,946
Public assistance	583,182	583,182	320,012	263,170
Total welfare and social services	<u>\$ 2,109,399</u>	<u>\$ 2,127,166</u>	<u>\$ 1,830,050</u>	<u>\$ 297,116</u>
Total Virginia Public Assistance Fund	<u>\$ 2,109,399</u>	<u>\$ 2,127,166</u>	<u>\$ 1,830,050</u>	<u>\$ 297,116</u>
<b>Airport Commission Fund:</b>				
Public works:				
Maintenance of general buildings and grounds	\$ 69,754	\$ 69,754	\$ 61,205	\$ 8,549
Total Airport Commission Fund	<u>\$ 69,754</u>	<u>\$ 69,754</u>	<u>\$ 61,205</u>	<u>\$ 8,549</u>

Schedule of Expenditures - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2013 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Special Revenue Funds: (Continued)</b>				
<b>CSA Fund:</b>				
Health and welfare:				
Welfare and social services:				
Comprehensive services	\$ 888,360	\$ 888,360	\$ 462,257	\$ 426,103
Total CSA Fund	<u>\$ 888,360</u>	<u>\$ 888,360</u>	<u>\$ 462,257</u>	<u>\$ 426,103</u>
<b>Debt Service Fund:</b>				
Debt service:				
Principal retirement	\$ 687,369	\$ 687,369	\$ 552,135	\$ 135,234
Interest and other fiscal charges	357,073	351,396	411,655	(60,259)
Total Debt Service Fund	<u>\$ 1,044,442</u>	<u>\$ 1,038,765</u>	<u>\$ 963,790</u>	<u>\$ 74,975</u>
<b>Capital Projects Funds:</b>				
<b>County Capital Improvements Fund:</b>				
Education:				
County contribution to component unit school board	\$ 76,000	\$ 76,000	\$ 76,000	\$ -
Capital projects:				
Sheriff's vehicle/equipment	\$ 105,922	\$ 421,922	\$ 421,378	\$ 544
E911 communications center	5,000	5,050	4,637	413
IDA capital projects	300,000	300,000	300,000	-
Fire and rescue services	254,315	254,315	253,361	954
Fort Christanna preservation	5,000	5,000	4,607	393
Housing needs planning grant	-	15,000	3,248	11,752
Simmons Drive CDBG grant	929,289	1,099,289	878,723	220,566
Silver Trail housing project	431,275	431,275	27,613	403,662
Narrowbanding	15,000	15,000	-	15,000
Byways Visitor Center - TICR	383,375	383,375	16,911	366,464
Byways Visitor Center - NSBP	603,794	603,794	37,879	565,915
Mecklenburg Satellite Facility	1,100,000	1,100,000	988,372	111,628
Historic Courthouse renovations	240,000	918,152	921,114	(2,962)
Total capital projects	<u>\$ 4,372,970</u>	<u>\$ 5,552,172</u>	<u>\$ 3,857,843</u>	<u>\$ 1,694,329</u>
Debt service:				
Issuance costs	\$ -	\$ -	\$ 6,500	\$ (6,500)
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,500</u>	<u>\$ (6,500)</u>
Total County Capital Improvements Fund	<u>\$ 4,448,970</u>	<u>\$ 5,628,172</u>	<u>\$ 3,940,343</u>	<u>\$ 1,687,829</u>
<b>DF School Capital Projects Fund:</b>				
Capital projects:				
Tech Center roof and BHS drain	\$ -	\$ -	\$ 283,140	\$ (283,140)
Totaro interior modernization	-	-	359,740	(359,740)
Totaro roof replacement and coating	-	-	243,787	(243,787)
Other renovations and upgrades	-	1,306,981	257,406	1,049,575
Total DF School Capital Projects Fund	<u>\$ -</u>	<u>\$ 1,306,981</u>	<u>\$ 1,144,073</u>	<u>\$ 162,908</u>
Total Primary Government	<u>\$ 23,202,427</u>	<u>\$ 26,447,854</u>	<u>\$ 23,591,414</u>	<u>\$ 2,856,440</u>

Schedule of Expenditures - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2013 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Education:				
Instruction costs:				
Elementary and secondary schools	\$ 12,234,080	\$ 12,297,676	\$ 11,187,572	\$ 1,110,104
Guidance services	393,766	393,766	385,610	8,156
Homebound instruction	-	-	34,697	(34,697)
Other instructional costs	2,031,956	2,286,258	2,538,513	(252,255)
Media services	357,090	357,090	288,515	68,575
Office of the principal	1,137,544	1,137,544	1,103,042	34,502
Total instruction costs	<u>\$ 16,154,436</u>	<u>\$ 16,472,334</u>	<u>\$ 15,537,949</u>	<u>\$ 934,385</u>
Operating costs:				
Administration, attendance and health services	\$ 771,156	\$ 790,156	\$ 727,389	\$ 62,767
Pupil transportation	1,831,810	1,909,018	1,893,327	15,691
Operation and maintenance of school plant	2,295,896	2,363,151	2,379,361	(16,210)
School food service and other non-instructional	-	-	562	(562)
Total operating costs	<u>\$ 4,898,862</u>	<u>\$ 5,062,325</u>	<u>\$ 5,000,639</u>	<u>\$ 61,686</u>
Total education	<u>\$ 21,053,298</u>	<u>\$ 21,534,659</u>	<u>\$ 20,538,588</u>	<u>\$ 996,071</u>
Capital projects:				
Technology	\$ 986,376	\$ 1,119,918	\$ 787,253	\$ 332,665
Total capital projects	<u>\$ 986,376</u>	<u>\$ 1,119,918</u>	<u>\$ 787,253</u>	<u>\$ 332,665</u>
Total School Operating Fund	<u>\$ 22,039,674</u>	<u>\$ 22,654,577</u>	<u>\$ 21,325,841</u>	<u>\$ 1,328,736</u>
<b>Special Revenue Fund:</b>				
<b>School Cafeteria Fund:</b>				
Education:				
School food services:				
Administration of school food program	\$ 1,217,640	\$ 1,217,640	\$ 1,174,396	\$ 43,244
Total school food services	<u>\$ 1,217,640</u>	<u>\$ 1,217,640</u>	<u>\$ 1,174,396</u>	<u>\$ 43,244</u>
Total School Cafeteria Fund	<u>\$ 1,217,640</u>	<u>\$ 1,217,640</u>	<u>\$ 1,174,396</u>	<u>\$ 43,244</u>
<b>School Capital Projects Fund:</b>				
Capital projects:				
Transportation	\$ 76,000	\$ 76,000	\$ 76,643	\$ (643)
Forestry building	-	125,000	100,142	24,858
Total School Capital Projects Fund	<u>\$ 76,000</u>	<u>\$ 201,000</u>	<u>\$ 176,785</u>	<u>\$ 24,215</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 23,333,314</u>	<u>\$ 24,073,217</u>	<u>\$ 22,677,022</u>	<u>\$ 1,396,195</u>

## Statistical Information

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COUNTY OF BRUNSWICK, VIRGINIA

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		
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	
2012-13	1,505,451	1,312,334	6,574,329	1,408,843	2,465,150	5,871,279	252,293	1,570,574	519,431	21,479,684	

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)	
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
2012-13	1,867,072	4,018,912	1,011,564	9,372,346	1,619,833	203,654	88,291	1,788,436	19,970,108

(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	
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
2012-13	1,368,274	1,314,772	5,008,806	1,487,373	2,436,281	21,755,135	221,149	358,448	-	1,337,326	35,287,564

(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
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									
2012-13	9,303,220	1,619,833	66,134	1,110,627	194,120	909,191	548,676	261,208	22,765,047	36,778,056									

(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
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%
2012-13	10,563,964	10,286,914	97.38%	179,496	10,466,410	99.08%	410,941	3.89%

(1) Exclusive of penalties and interest.

(2) Includes three most current delinquent tax years.

COUNTY OF BRUNSWICK, VIRGINIA

Table 6

Assessed Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property		Machinery and Tools	Merchants Capital	Public Utility (2)	Total
		and Mobile Homes (1)					
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	
2012-13	1,277,151,565	107,764,740	14,557,930	14,334,730	60,752,103	1,474,561,068	

(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	
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
2012-13		0.47		0.47		3.60		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				
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
2012-13	17,395	1,474,561	11,363,146	-	-	11,363,146	0.77%	653

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

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

(3) Includes all long-term general obligation bonded debt, bonded anticipation notes, and literary fund loans. Excludes landfill closure/postclosure care liability, capital lease, QZABs, and compensated absences.

**Compliance**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Brunswick, Virginia as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise County of Brunswick, Virginia's basic financial statements and have issued our report thereon dated December 27, 2013.

## **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered County of Brunswick, Virginia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of County of Brunswick, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Brunswick, Virginia's internal control.

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

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

## **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*.

## Purpose of this Report

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

*Robinson, Farmer, Co. Associates*

Charlottesville, Virginia  
December 27, 2013

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## Independent Auditors' Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133

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

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

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, 2013. County of Brunswick, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of County of Brunswick, Virginia's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of County of Brunswick, Virginia's compliance.

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

In our opinion, County of Brunswick, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

## Report on Internal Control Over Compliance

Management of County of Brunswick, Virginia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered County of Brunswick, Virginia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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.

*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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Guinn, Farmer, & Associates*  
Charlottesville, Virginia  
December 27, 2013

COUNTY OF BRUNSWICK, VIRGINIA

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2013

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	\$ 50,473
Virginia Department of Social Services:			
Promoting Safe and Stable Families	93.556	950112	8,937
Temporary Assistance for Needy Families (TANF)	93.558	0400112/0400113	224,641
Refugee and Entrant Assistance - State Administered Programs	93.566	0500112/0500113	737
Low-Income Home Energy Assistance	93.568	0600412/0600413	24,905
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760112/0760113	31,837
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900112/0900113	1,055
Foster Care - Title IV-E	93.658	1100112/ 1100113	59,565
Adoption Assistance	93.659	1120112/1120113	34,461
Social Services Block Grant	93.667	1000112/1000113	152,368
Chafee Foster Care Independence Program	93.674	9150112/ 9150113	2,346
Children's Health Insurance Program	93.767	0540112/0540113	6,535
Medical Assistance Program	93.778	1200112/1200113	<u>160,939</u>
Total Department of Health and Human Services			\$ <u>758,799</u>
Department of Agriculture:			
Pass Through Payments:			
Virginia Department of Agriculture and Consumer Services:			
Food Distribution (Child Nutrition Cluster)	10.555	406230	\$ 67,982
Virginia Department of Education:			
National School Lunch Program (Child Nutrition Cluster)	10.555	406230	<u>583,938</u> \$ 651,920
Virginia Department of Agriculture and Consumer Services:			
Food Distribution--Summer Feeding Program (Child Nutrition Cluster)	10.559	Unknown	\$ 568
Virginia Department of Education:			
Summer Food Service Program for Children (Child Nutrition Cluster)	10.559	Unknown	<u>24,896</u> 25,464
Virginia Department of Education:			
School Breakfast Program (Child Nutrition Cluster)	10.553	405910	232,745
Fresh Fruit and Vegetable Program	10.582	405990	66,174
Virginia Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010112/ 0010113/0040112/ 0040113/0050112/0050113	<u>274,312</u>
Total Department of Agriculture			\$ <u>1,250,615</u>

COUNTY OF BRUNSWICK, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2013

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>69,079</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>575,990</u>
Department of Justice:			
Direct payments:			
Department of Treasury, DHS: Federal Equitable Sharing Program	16.000	N/A	\$ 4,294
Pass Through Payments:			
Department of Criminal Justice Services: Edward Byrne Memorial Justice Assistance Grant Program	16.738	10-L1126LO09	<u>1,607</u>
Total Department of Justice			\$ <u>5,901</u>
Department of Homeland Security:			
Pass Through Payments:			
Department of Emergency Management: Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	25-99025-00	\$ 4,085
State Homeland Security Program (SHSP)	97.073	10-A6152HS08	<u>319,483</u>
Total Department of Homeland Security			\$ <u>323,568</u>
Department of Transportation:			
Pass Through Payments:			
Virginia Department of Transportation: Highway Planning and Construction	20.205	SB10-012-VA1	\$ <u>37,879</u>
Total Department of Transportation			\$ <u>37,879</u>
Department of Education:			
Pass Through Payments:			
Virginia Department of Education:			
Title I - Grants to Local Educational Agencies	84.010	429010/482920	\$ 766,610
Special Education - Grants to States (IDEA, Part B) (Special Education Cluster)	84.027	430710	536,972
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048	610950	48,068
Special Education - Preschool Grants (IDEA Preschool) (Special Education Cluster)	84.173	625210	13,885
Education Technology State Grants	84.318	616000	310
Rural Education	84.358	434810	33,561
Improving Teacher Quality State Grants	84.367	614800	156,531
ARRA - School Improvement Grants	84.388	429900	<u>539,110</u>
Total Department of Education			\$ <u>2,095,047</u>
Federal Energy Regulation Commission:			
Pass Through Payments:			
Virginia Department of Education: Miscellaneous Revenue	84.000	Unknown	\$ <u>30,166</u>
Total Expenditures of Federal Awards			\$ <u>5,147,044</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, 2013

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### Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of County of Brunswick, Virginia under programs of the federal government for the year ended June 30, 2013. 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 County of Brunswick, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of County of Brunswick, Virginia.

### Note 2 - Summary of Significant Accounting Policies

(1) Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in 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 - 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	\$ 60,729
Special Revenue Funds:	
Virginia Public Assistance Fund	928,566
CSA Fund	8,937
Debt Service Funds:	
Debt Service Fund	62,196
Capital Projects Funds:	
County Capital Improvements Fund	929,869
Total primary government	\$ <u>1,990,297</u>
Component Unit School Board:	
School Operating Fund	\$ 2,244,765
School Cafeteria Fund	976,303
Total component unit School Board	\$ <u>3,221,068</u>
Total federal expenditures per basic financial statements	\$ <u>5,211,365</u>
Reconciling Items:	
Federal interest subsidy	\$ (62,196)
Payments from U.S. Immigration & Customs Enforcement	(2,125)
Total reconciling items	\$ <u>(64,321)</u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ <u><u>5,147,044</u></u>

**COUNTY OF BRUNSWICK, VIRGINIA**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2013

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**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:  
Material weakness(es) identified? 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 auditors' report issued on compliance for major programs: Unmodified

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

Identification of major programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555/10.559	Child Nutrition Cluster
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
97.073	State Homeland Security Program

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

Auditee qualified as low-risk auditee? 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, 2013

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There were no findings reported for the year ended June 30, 2012.

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