

COUNTY OF BRUNSWICK, VIRGINIA



FINANCIAL REPORT YEAR
ENDED JUNE 30, 2020

County of Brunswick, Virginia
Financial Report
For the Year Ended June 30, 2020

COUNTY OF BRUNSWICK, VIRGINIA

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BOARD OF SUPERVISORS

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

COUNTY SOCIAL SERVICES BOARD

Alfonzo Seward	Jean Moody, Chairperson	Delores Webster
Saundra Shye	Audrey Jarrett-Nelson	John W. Zubrod

COUNTY SCHOOL BOARD

Roy F. Warwick	Dr. Carolyn P. Jones, Chairman	Timothy Puryear
Floyd A. Moore, Jr.		Elizabeth Burns

OTHER OFFICIALS

Judge of the Circuit Court	W. Edward Tomko, III
Chief Judge for 6 th Judicial Circuit Court	W. Allen Sharrett
Clerk of the Circuit Court	Jacqueline S. Morgan
Commonwealth's Attorney	Lezlie S. Green
Commissioner of the Revenue	Camilla Clayton-Bright
Treasurer	Jacqueline Mangrum
Sheriff	Brian K. Roberts
Superintendent of Schools	Kristy Somerville-Midgett
Director of Social Services	Deborah Burkett
County Administrator	Dr. Charlette T. Woolridge
Chief Judge of the General District Court	Stephen Bloom
Chief Judge of the Juvenile and Domestic Relations Court	Carson E. Saunders, Jr.
Clerk of the School Board	Amy Clary



Independent Auditors' Report

**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, 2020, 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, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding on pages 4-9, 88-89 and 90-102 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.

Supplementary and 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 Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 March 26, 2021, on our consideration of County of Brunswick, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Brunswick, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Brunswick, Virginia's internal control over financial reporting and compliance.

Robinson Faren Cox Associates

Charlottesville, Virginia

March 26, 2021

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COUNTY OF BRUNSWICK, VIRGINIA MANAGEMENT'S DISCUSSION AND ANALYSIS

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

As management of County of Brunswick, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2020.

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 and deferred inflows of resources at the close of the most recent fiscal year by \$16,564,136 (net position), an increase of \$1,024,024 over the prior year.

Fund Financial Statements

In the Governmental Funds, on a current financial resource basis, expenditures and other financing uses exceeded revenues and other financing sources by \$298,265 (Exhibit 5) after making contributions totaling \$5,860,546 to the School Board.

- As of the close of the current fiscal year, the County's governmental funds reported ending fund balances of \$17,293,947 a decrease of \$298,265 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$15,029,072 or 63% of total general fund expenditures.
- Combined long-term obligations for the governmental funds increased \$332,755 during the current fiscal year. Debt balances decreased by \$1,073,280.

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, and the County Capital Improvements Fund.

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

Fiduciary funds - The County is the trustee, or fiduciary, for the County's 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, funding schedules for the Virginia Retirement System and other postemployment benefits. Other supplementary information presented includes various combining financial statements for the County's non-major funds and the discretely presented component unit - School Board, supporting schedules, and statistical information. The School Board does not issue separate financial statements. The Component Unit IDA's statements can be obtained by contacting the Authority's Executive Director, 116 West Hicks Street, Lawrenceville, VA 23868.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County's governmental activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$16,564,136 at the close of the most recent fiscal year.

Summary Statement of Net Position

	Governmental Activities	
	2020	2019
Current and other assets	\$ 20,353,581	\$ 19,049,621
Capital assets	18,785,985	18,612,812
Total assets	\$ 39,139,566	\$ 37,662,433
Deferred outflows of resources	\$ 1,751,744	\$ 753,806
Long-term liabilities	\$ 21,464,831	\$ 21,132,076
Current liabilities	2,394,991	984,197
Total liabilities	\$ 23,859,822	\$ 22,116,273
Deferred inflows of resources	\$ 467,352	\$ 759,854
Net position:		
Net investment in capital assets	\$ 9,571,041	\$ 8,054,136
Restricted	183,019	320,803
Unrestricted	6,810,076	7,165,173
Total net position	\$ 16,564,136	\$ 15,540,112

At the end of the current fiscal year, the County's net investment in capital assets was \$9,190,273. The County uses these capital assets to provide services to citizens: therefore, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Government-wide Financial Analysis: (Continued)

Governmental Activities - Governmental activities increased the County's net position by \$1,024,024.

Summary Statement of Change in Net Position

	Governmental Activities	
	2020	2019
Revenues:		
Program revenues:		
Charges for services	\$ 2,538,956	\$ 2,636,357
Operating grants and contributions	4,940,591	4,839,710
Capital grants and contributions	905,845	716,188
General revenues:		
General property taxes	16,396,646	15,980,713
Other local taxes	1,738,812	1,231,660
Grants and other contributions not restricted	1,825,066	1,801,300
Use of money and property	178,543	175,557
Miscellaneous	182,125	161,688
Total revenues	<u>\$ 28,706,584</u>	<u>\$ 27,543,173</u>
Expenses:		
General government administration	\$ 2,426,306	\$ 1,741,196
Judicial administration	1,653,439	1,531,103
Public safety	9,675,222	8,780,522
Public works	2,197,407	1,961,707
Health and welfare	3,242,931	3,189,487
Education	6,381,182	6,562,690
Parks, recreation, and cultural	455,194	488,124
Community development	1,091,047	1,297,820
Interest on long-term debt	559,832	803,462
Total expenses	<u>\$ 27,682,560</u>	<u>\$ 26,356,111</u>
Increase (decrease) in net position	<u>\$ 1,024,024</u>	<u>\$ 1,187,062</u>
Net position, July 1	<u>\$ 15,540,112</u>	<u>\$ 14,353,050</u>
Net position, June 30	<u><u>\$ 16,564,136</u></u>	<u><u>\$ 15,540,112</u></u>

Government-wide Financial Analysis: (Continued)

Key elements of this increase are as follows:

Total revenues increased by \$1,163,411 over the prior year. General property taxes increased by \$415,933. This is the 2nd year reflecting the new real estate of \$.53. Fire and rescue volunteer rates were decreased from \$2.81 to \$2.59 this year. The other category with a noticeable change was other local taxes, with an increase of \$507,152. This reflects an increase of \$499,137 in local sales tax. Charges for services decreased by \$97,401, as a result of COVID's impact on certain services, such as building permits and emergency transports. Operating grants and contributions increased by \$100,881 and capital grants and contributions increased by \$189,657.

Total expenses increased by \$1,326,449 over the prior year. General government administration increased by \$685,110. This reflects expenses that resulted from the COVID pandemic, such as purchase of PPE, CARES distributions to Towns, and sanitizing costs. In addition, professional services were contracted for various studies conducted by County Administration. Public safety increased by \$894,700 due to the NG911 grant and salary increases effective July 1, 2019. Education, Community Development, and Interest expenses decreased by \$181,508, \$206,773, and \$243,630, respectively. Education expenses decreased as a result of school closures from mid-March through June 30, 2020 in response to COVID. The close out of Alvis Road and Flat Rock Road CDBG projects attributed to the decrease in Community Development. Prior year interest expenses included \$169,436 in issuance costs on new debt.

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 \$17,293,947, a decrease of \$298,265 from the prior year. Approximately 87% of this total amount constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance is segregated to indicate that it is not available for new spending because it has already been committed or assigned.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget of the general fund was an increase of \$1,131,423 in expenditures and can be briefly summarized as follows:

- \$553,213 in increases for general government administration (due to the impact of COVID and various studies conducted)
- \$325,239 in increases for public works (for maintenance of buildings and grounds)
- \$252,971 in other increases

Of this increase, \$75,000, \$12,193, \$1,500, \$108,562, and \$163,938 was to be funded from fines and forfeitures, charges for services, miscellaneous revenues, state grant, and federal grant funding, respectively. The remaining \$770,230 was to come from available fund balance. During the year, however, expenditures were less than budgetary estimates by \$1,174,385, 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, 2020 amounted to \$18,785,985 (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 \$1,156,959 during the current fiscal year, while accumulated depreciation increased by \$983,786, resulting in a net increase of \$173,173. Additions included the purchase of the Fiberight/Atlantic Recycling building and land for economic development, several vehicles, and an ambulance, as well as E-911 system upgrades, bowling alley upgrades at the Conference Center, and the purchase of various equipment. Construction of a manned Evans Creek Road convenience center was also completed and placed into service during the year.

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

Long-term debt and other obligations - At the end of the current fiscal year, the County had total long-term debt and other obligations outstanding of \$21,464,831 for its governmental operations. Of this amount \$12,449,499 comprises obligations backed by the full faith and credit of the County. The remainder of the County's debt for governmental operations (\$9,015,332) represents bonds secured solely by specified revenue sources (i.e., revenue bonds and QZABs).

The County's total debt and other long-term obligations outstanding increased by \$332,755 during the current fiscal year. Required payments made on outstanding principal balances were offset by the changes in pension and OPEB liabilities.

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

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the County is currently 7.4 percent, which is an increase from a rate of 4.1 percent a year ago. This is slightly higher than the state's average unemployment rate of 5.1 percent and the national average rate of 6.7 percent. This is a direct result of COVID's impact on the economy.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the County's budget for the 2021 fiscal year.

The County's fiscal year 2021 budget amounted to \$20,983,631 (net of interfund transfers and transfers to the Component Unit School Board and does not include expenditures of the Component Unit School Board).

Requests for Information

This financial report is designed to provide a general overview of the County of Brunswick, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, 228 North Main Street, P.O. Box 399, Lawrenceville, Virginia 23868.

Basic Financial Statements

Government-wide Financial Statements

Statement of Net Position
June 30, 2020

	Primary Government Governmental Activities	Component Units School Board	IDA
ASSETS			
Cash and cash equivalents	\$ 15,436,225	\$ 880,067	\$ 1,844,166
Receivables (net of allowance for uncollectibles):			
Taxes receivable	952,019	-	-
Accounts receivable	313,080	7,476	13,724
Due from component units	500,000	-	-
Due from other governmental units	1,339,619	556,171	-
Inventories	3,376	-	-
Prepaid items	59,113	-	-
Restricted assets:			
Cash and cash equivalents	380,838	-	-
Investments (in custody of others)	1,369,311	-	-
Other assets:			
Land and improvements held for sale	-	-	4,176,018
Investment in industrial assets	-	-	7,861,930
Notes receivable	-	-	91,862
Net pension asset	-	367,682	49,269
Capital assets (net of accumulated depreciation):			
Land	3,637,003	25,822	13,194
Buildings and improvements	11,156,791	6,986,220	-
Machinery, equipment, and vehicles	3,865,373	619,856	28,834
Intangibles	126,818	-	-
Total assets	\$ 39,139,566	\$ 9,443,294	\$ 14,078,997
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	\$ 1,454,428	\$ 2,946,163	\$ 8,870
OPEB related items	297,316	409,529	6,077
Total deferred outflows of resources	\$ 1,751,744	\$ 3,355,692	\$ 14,947
LIABILITIES			
Accounts payable	\$ 513,583	\$ 19,181	\$ 3,804
Accrued liabilities	-	942,005	-
Escrow accounts	-	-	550
Accrued interest payable	553,449	2,566	-
Due to primary government	-	-	500,000
Unearned revenue	1,327,959	-	-
Long-term liabilities:			
Due within one year	2,298,796	87,246	-
Due in more than one year	19,166,035	17,266,057	11,554
Total liabilities	\$ 23,859,822	\$ 18,317,055	\$ 515,908
DEFERRED INFLOWS OF RESOURCES			
Pension related items	\$ 425,637	\$ 3,018,511	\$ 4,103
OPEB related items	41,715	366,373	3,177
Total deferred inflows of resources	\$ 467,352	\$ 3,384,884	\$ 7,280
NET POSITION (DEFICIT)			
Net investment in capital assets	\$ 9,571,041	\$ 7,472,890	\$ 7,903,958
Restricted:			
Anti-litter	294	-	-
Electronic summons	42,468	-	-
Law library	24,264	-	-
Drug enforcement	91,140	-	-
Courthouse maintenance	24,853	-	-
Pension benefits	-	367,682	49,269
Unrestricted (deficit)	6,810,076	(16,743,525)	5,617,529
Total net position (deficit)	\$ 16,564,136	\$ (8,902,953)	\$ 13,570,756

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, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 2,426,306	\$ 40,689	\$ 403,410	\$ -
Judicial administration	1,653,439	321,016	591,920	-
Public safety	9,675,222	1,611,149	1,475,139	85,000
Public works	2,197,407	564,932	13,487	-
Health and welfare	3,242,931	-	2,452,135	-
Education	6,381,182	-	-	30,594
Parks, recreation, and cultural	455,194	-	4,500	-
Community development	1,091,047	1,170	-	790,251
Interest on long-term debt	559,832	-	-	-
Total governmental activities	\$ 27,682,560	\$ 2,538,956	\$ 4,940,591	\$ 905,845
COMPONENT UNITS:				
School Board	\$ 21,898,874	\$ 112,604	\$ 16,051,158	\$ -
Industrial Development Authority	794,123	191,495	-	-
Total component units	\$ 22,692,997	\$ 304,099	\$ 16,051,158	\$ -

General revenues:

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

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Position			
	Primary	Component Units	
	Government		
	Governmental	School	IDA
	Activities	Board	
\$	(1,982,207)		
	(740,503)		
	(6,503,934)		
	(1,618,988)		
	(790,796)		
	(6,350,588)		
	(450,694)		
	(299,626)		
	(559,832)		
\$	<u>(19,297,168)</u>		
	\$ (5,735,112)	\$ -	
	-	(602,628)	
	<u>\$ (5,735,112)</u>	<u>\$ (602,628)</u>	
\$	16,396,646	\$ -	\$ -
	941,604	-	-
	255,475	-	-
	362,633	-	-
	179,100	-	-
	-	6,310,895	-
	178,543	1,833	14,775
	182,125	316,435	-
	1,825,066	-	-
	-	-	67,367
\$	<u>20,321,192</u>	<u>\$ 6,629,163</u>	<u>\$ 82,142</u>
	1,024,024	894,051	(520,486)
	15,540,112	(9,797,004)	14,091,242
\$	<u>16,564,136</u>	<u>\$ (8,902,953)</u>	<u>\$ 13,570,756</u>

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Fund Financial Statements

Balance Sheet
Governmental Funds
June 30, 2020

	General	Virginia Public Assistance	School Debt Service	County Capital Improvements	Other Governmental Funds	Total
ASSETS						
Cash and cash equivalents	\$ 15,686,681	\$ -	\$ -	\$ -	\$ 28,657	\$ 15,715,338
Receivables (net of allowance for uncollectibles):						
Taxes receivable	952,019	-	-	-	-	952,019
Accounts receivable	308,080	-	-	5,000	-	313,080
Due from other funds	241,308	-	-	-	-	241,308
Due from component unit	500,000	-	-	-	-	500,000
Due from other governmental units	662,775	160,854	-	417,841	98,149	1,339,619
Inventories	-	-	-	-	3,376	3,376
Prepaid items	35,285	23,828	-	-	-	59,113
Restricted assets:						
Cash and cash equivalents	-	-	-	380,838	-	380,838
Investments	-	-	1,369,311	-	-	1,369,311
Total assets	<u>\$ 18,386,148</u>	<u>\$ 184,682</u>	<u>\$ 1,369,311</u>	<u>\$ 803,679</u>	<u>\$ 130,182</u>	<u>\$ 20,874,002</u>
LIABILITIES						
Accounts payable	\$ 424,016	\$ 4,029	\$ -	\$ 18,749	\$ 66,789	\$ 513,583
Overdraft	-	-	35,786	243,327	-	279,113
Accrued interest payable	-	-	379,878	-	-	379,878
Unearned revenue	1,327,959	-	-	-	-	1,327,959
Due to other funds	-	180,653	-	-	60,655	241,308
Total liabilities	<u>\$ 1,751,975</u>	<u>\$ 184,682</u>	<u>\$ 415,664</u>	<u>\$ 262,076</u>	<u>\$ 127,444</u>	<u>\$ 2,741,841</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	\$ 838,214	\$ -	\$ -	\$ -	\$ -	\$ 838,214
FUND BALANCES						
Nonspendable:						
Prepaid items	\$ 35,285	\$ 23,828	\$ -	\$ -	\$ -	\$ 59,113
Inventories	-	-	-	-	3,376	3,376
Long-term loans and advances	500,000	-	-	-	-	500,000
Restricted:						
Anti-litter	294	-	-	-	-	294
Electronic summons	42,468	-	-	-	-	42,468
Law library	24,264	-	-	-	-	24,264
Drug enforcement	91,140	-	-	-	-	91,140
Courthouse maintenance	24,853	-	-	-	-	24,853
Debt service funds - QZABs	-	-	989,433	-	-	989,433
Committed:						
Radio communication network upgrade	-	-	-	4,148	-	4,148
VRA Property acquisition	-	-	-	376,620	-	376,620
Assigned:						
DMV Select	1,402	-	-	-	-	1,402
Courthouse repairs	47,181	-	-	-	-	47,181
Other capital projects	-	-	-	160,835	-	160,835
Unassigned:						
General fund	15,029,072	-	-	-	-	15,029,072
Special revenue funds	-	(23,828)	-	-	(638)	(24,466)
Debt service funds	-	-	(35,786)	-	-	(35,786)
Total fund balances	<u>\$ 15,795,959</u>	<u>\$ -</u>	<u>\$ 953,647</u>	<u>\$ 541,603</u>	<u>\$ 2,738</u>	<u>\$ 17,293,947</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,386,148</u>	<u>\$ 184,682</u>	<u>\$ 1,369,311</u>	<u>\$ 803,679</u>	<u>\$ 130,182</u>	<u>\$ 20,874,002</u>

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

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2020

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$ 17,293,947
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Land	\$ 3,637,003	
Buildings and improvements	11,156,791	
Machinery, equipment, and vehicles	3,865,373	
Intangibles	<u>126,818</u>	18,785,985

Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.	838,214
---	---------

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

Pension related items	\$ 1,454,428	
OPEB related items	<u>297,316</u>	1,751,744

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	\$ (7,690,001)	
Plus: Premium (discount) on issuance	(183,562)	
General obligation bonds	(3,644,336)	
Plus: Premium on issuance	(25,438)	
Qualified zone academy bonds	(1,141,769)	
Capital lease	(1,909,000)	
Brodnax sewer capacity agreement	(131,040)	
Compensated absences	(655,402)	
Landfill closure/postclosure liability	(659,218)	
Net OPEB liabilities	(1,277,647)	
Net pension liability	(4,147,418)	
Accrued interest payable	<u>(173,571)</u>	(21,638,402)

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

Pension related items	\$ (425,637)	
OPEB related items	<u>(41,715)</u>	<u>(467,352)</u>

Net position of governmental activities	\$ <u><u>16,564,136</u></u>
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The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	General	Virginia Public Assistance	School Debt Service	County Capital Improvements	Other Govern- mental Funds	Total
REVENUES						
General property taxes	\$ 16,218,105	\$ -	\$ -	\$ -	\$ -	\$ 16,218,105
Other local taxes	1,738,812	-	-	-	-	1,738,812
Permits, privilege fees, and regulatory licenses	55,141	-	-	-	-	55,141
Fines and forfeitures	1,448,184	-	-	-	-	1,448,184
Revenue from the use of money and property	141,080	-	26,344	6,669	4,450	178,543
Charges for services	1,035,631	-	-	-	-	1,035,631
Miscellaneous	178,576	3,549	-	-	-	182,125
Recovered costs	310,566	-	-	-	-	310,566
Intergovernmental:						
Commonwealth	4,056,700	657,632	-	366,828	507,549	5,588,709
Federal	409,370	1,200,120	30,594	423,423	19,286	2,082,793
Total revenues	\$ 25,592,165	\$ 1,861,301	\$ 56,938	\$ 796,920	\$ 531,285	\$ 28,838,609
EXPENDITURES						
Current:						
General government administration	\$ 2,252,167	\$ -	\$ -	\$ -	\$ -	\$ 2,252,167
Judicial administration	1,725,007	-	-	-	-	1,725,007
Public safety	9,575,977	-	-	-	-	9,575,977
Public works	2,236,935	-	-	-	33,444	2,270,379
Health and welfare	216,231	2,254,340	-	-	739,139	3,209,710
Education	5,930,833	-	-	-	-	5,930,833
Parks, recreation, and cultural	360,505	-	-	-	-	360,505
Community development	668,448	-	-	-	-	668,448
Capital projects	7,500	-	-	1,490,343	-	1,497,843
Debt service:						
Principal retirement	557,736	-	474,622	-	-	1,032,358
Interest and other fiscal charges	413,894	-	199,753	-	-	613,647
Total expenditures	\$ 23,945,233	\$ 2,254,340	\$ 674,375	\$ 1,490,343	\$ 772,583	\$ 29,136,874
Excess (deficiency) of revenues over (under) expenditures	\$ 1,646,932	\$ (393,039)	\$ (617,437)	\$ (693,423)	\$ (241,298)	\$ (298,265)
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ -	\$ 393,039	\$ 692,175	\$ 739,325	\$ 241,298	\$ 2,065,837
Transfers out	(2,065,837)	-	-	-	-	(2,065,837)
Total other financing sources (uses)	\$ (2,065,837)	\$ 393,039	\$ 692,175	\$ 739,325	\$ 241,298	\$ -
Net change in fund balances	\$ (418,905)	\$ -	\$ 74,738	\$ 45,902	\$ -	\$ (298,265)
Fund balances - beginning	16,214,864	-	878,909	495,701	2,738	17,592,212
Fund balances - ending	\$ 15,795,959	\$ -	\$ 953,647	\$ 541,603	\$ 2,738	\$ 17,293,947

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, 2020

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

Net change in fund balances - total governmental funds	\$	(298,265)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period.

Capital asset additions	\$	1,812,748	
Depreciation		(1,189,226)	
Adjustment for jointly owned assets		(474,622)	
Depreciation adjustment for jointly owned assets		<u>24,273</u>	173,173

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.	178,541
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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 (discount) on issuance	\$	40,922	
Payment of principal		1,032,358	
Increase in landfill closure/postclosure care liability		<u>(11,020)</u>	1,062,260

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

Change in compensated absences	\$	(40,653)	
Change in pension related items		(13,058)	
Change in OPEB related items		(50,864)	
Accrued interest payable		<u>12,890</u>	<u>(91,685)</u>

Change in net position of governmental activities	\$	<u><u>1,024,024</u></u>
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The notes to the financial statements are an integral part of this statement.

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

		Agency Funds
		<hr/>
ASSETS		
<hr/>		
Cash and cash equivalents	\$	32,789
Total assets	\$	<hr/> 32,789 <hr/>
 LIABILITIES		
<hr/>		
Amounts held for social services clients	\$	495
Amounts held for others		9,539
Escrow deposits payable		22,755
Total liabilities	\$	<hr/> 32,789 <hr/>

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, 2020

Note 1—Summary of Significant Accounting Policies:

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

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

Financial Statement Presentation

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 (governmental 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, 2020 (Continued)

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

Financial Statement Presentation: (Continued)

Government-wide and Fund Financial Statements: (Continued)

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

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

A. Financial Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for general purpose financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present 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, 2020.

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, 2020.

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

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

C. Other Related Organizations

Included in the County's Financial Report: None

Excluded from the County's Financial Report:

Jointly Governed Organizations

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

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

Meherrin Regional Library

The Meherrin Regional Library is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. The Counties of Brunswick, 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 \$184,838 in operating funds to the Library in 2020.

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 \$70,450 as operating grants to the Southside Community Services Board for the fiscal year ended June 30, 2020.

Meherrin River Regional Jail Authority

The Authority, created by resolution pursuant to state statute, is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. The Counties of Brunswick, Dinwiddie, and Mecklenburg participate in the Authority. The County Administrator and Sheriff of each participating locality serve on the Authority; however, the Authority is fiscally independent and there is no financial benefit or burden relationship with the participating localities. Therefore, it is not included in the County's financial statements. The regional jail bills each participating locality a per diem rate based upon the number of inmates housed at the facility. The per diem rates include components for both operating and debt service expenses. Brunswick County paid \$2,993,064 (including \$1,104 worth of bulletproof vests purchased on their behalf and SCAAP grant funds of \$3,077) to the Jail for the fiscal year ended June 30, 2020.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

C. Other Related Organizations: (Continued)

Obtaining of Financial Statements for Jointly Governed Organizations

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

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board. The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the 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 when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues from general purpose grants received on a reimbursement basis are recognized in the period to which the grant applies. 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 principal and interest expenditures on general long-term debt 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.

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

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

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.

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. The Virginia Public Assistance Fund is the only special revenue fund considered to be a major fund at June 30, 2020.

c. Capital Projects Fund

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

d. Debt Service Fund

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

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

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

2. Fiduciary Funds (Trust and 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.

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 had no activity in fiscal year 2020.

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.

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

E. Budgets and Budgetary Accounting: (Continued)

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

F. Cash and Cash Equivalents

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

Restricted cash includes unspent proceeds from debt financing of various projects.

G. Investments

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

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

G. Investments: (Continued)

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 \$78,893 will be made into a sinking fund earning interest 2.0% resulting in \$1,536,671 at maturity to satisfy the outstanding obligation.

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 \$123,100 at June 30, 2020 and is comprised solely of property taxes.

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

I. Inventories and Prepaid Items

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

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

J. 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 acquisition 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.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

J. Capital Assets: (Continued)

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

K. 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. 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.

L. Long-term Obligations

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

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

M. Fund Balance

The following classifications of fund balance 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);

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

M. Fund Balance: (Continued)

- Restricted fund balance – amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers;
- Committed fund balance – amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the Board of Supervisors prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Board adopts another ordinance to remove or revise the limitation;
- Assigned fund balance – amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments general only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

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

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.

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.

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

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 has one item that qualifies for reporting in this category. It is comprised of certain items related to the measurement of the net pension and net OPEB (asset) liabilities and contributions to the pension and OPEB plans made during the current year and subsequent to the net pension and net OPEB (asset) liability measurement date. For more detailed information on these items, reference the pension and OPEB notes.

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 two types of items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30 and is deferred and recognized as an inflow of resources in the period that the amount becomes available. In addition, certain items related to the measurement of the net pension and net OPEB (asset) liabilities are reported as deferred inflows of resources. For more detailed information on the pension and OPEB related items, reference the pension and OPEB notes.

P. Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's and School Board's Retirement Plan and the additions to/deductions from the County's and School Board's Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Q. Other Postemployment Benefits (OPEB)

For purposes of measuring the net VRS related OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI, HIC, and Teacher HIC OPEB Plans and the additions to/deductions from the VRS OPEB Plans' net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

R. Net Position

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

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

R. Net Position: (Continued)

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

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

S. Upcoming Pronouncements

Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

Statement No. 87, *Leases*, requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*, provides guidance for reporting a government's majority equity interest in a legally separate organization and for reporting financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

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

Statement No. 92, *Omnibus 2020*, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics such as leases, assets related to pension and postemployment benefits, and reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature. The effective dates differ by topic, ranging from January 2020 to periods beginning after June 15, 2021.

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

S. Upcoming Pronouncements: (Continued)

Statement No. 93, *Replacement of Interbank Offered Rates*, establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this Statement, except for removal of London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate and the requirements related to lease modifications, are effective for reporting periods beginning after June 15, 2020. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All requirements related to lease modifications in this Statement are effective for reporting periods beginning after June 15, 2021.

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

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

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code (IRC) Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*, (1) increases consistency and comparability related to reporting of fiduciary component units in certain circumstances; (2) mitigates costs associated with the reporting of certain plans as fiduciary component units in fiduciary fund financial statements; and (3) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans. The effective dates differ based on the requirements of the Statement, ranging from June 2020 to reporting periods beginning after June 15, 2021.

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

Note 2—Deposits and Investments:

Deposits

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

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 2—Deposits and Investments: (Continued)

Investments

Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper that has received at least two of the following ratings: P-1 by Moody’s Investors Service, Inc.; A-1 by Standard and Poor’s; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), banker’s acceptances, repurchase agreements and the State Treasurer’s Local Government Investment Pool (LGIP).

Custodial Credit Risk (Investments)

The County’s investments at June 30, 2020 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, 2020 were rated by Standard & Poor’s and/or an equivalent national rating organization and the ratings are presented below using the Standard & Poor’s rating scale.

Rated Debt Investments' Values		
Rated Debt Investments		Ratings
		AAAm
Governmental Activities:		
Money market mutual funds	\$	9,639
Local government investment pool		370,786
State Non-Arbitrage Pool		4,218
Total	\$	384,643
		AAAm
Component Unit Industrial Development Authority:		
Local government investment pool	\$	389,637

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 2—Deposits and Investments: (Continued)

Interest Rate Risk

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

Investment Maturities (in years)		
Investment Type	Value	Less Than 1 Year
Governmental Activities:		
Local government investment pool	\$ 370,786	\$ 370,786
State Non-Arbitrage Pool	4,218	4,218
Total	<u>\$ 375,004</u>	<u>\$ 375,004</u>
Component Unit Industrial Development Authority:		
Local government investment pool	<u>\$ 389,637</u>	<u>\$ 389,637</u>

External Investment Pools

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

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The County maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1. Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at a measurement date
- Level 2. Directly or indirectly observable inputs for the asset or liability other than quoted prices
- Level 3. Unobservable inputs that are supported by little or no market activity for the asset or liability

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 2—Deposits and Investments: (Continued)

Fair Value Measurements: (Continued)

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk.

The County has the following recurring fair value measurements as of June 30, 2020:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets or Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		<u>6/30/2020</u>		
Money Market Mutual Funds	\$	<u>9,639</u>	\$	<u>9,639</u>
			\$	<u>-</u>
				<u>-</u>

Note 3—Property Taxes:

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

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

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

Property taxes for calendar year 2019 were levied by the County Board of Supervisors on June 19, 2019, on the assessed value listed as of January 1, 2019.

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

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 4—Receivables:

Receivables at June 30, 2020 consist of the following:

	Primary Government Governmental Activities			Component Units	
	General	Capital Projects	Total	School Board	IDA
Property taxes	\$ 1,075,119	\$ -	\$ 1,075,119	\$ -	\$ -
Allowance for uncollectibles	(123,100)	-	(123,100)	-	-
Net taxes receivable	<u>\$ 952,019</u>	<u>\$ -</u>	<u>\$ 952,019</u>	<u>\$ -</u>	<u>\$ -</u>
Accounts receivable:					
Landfill host fees	\$ 114,027	\$ -	\$ 114,027	\$ -	\$ -
Landfill inspection costs	33,314	-	33,314	-	-
Utility and consumption taxes	24,394	-	24,394	-	-
Courthouse security	10,465	-	10,465	-	-
Court fines	49,222	-	49,222	-	-
Transport billing services	19,111	-	19,111	-	-
Expenditure refunds	-	5,000	5,000	96	-
Other	57,547	-	57,547	7,380	13,724
Total accounts receivable	<u>\$ 308,080</u>	<u>\$ 5,000</u>	<u>\$ 313,080</u>	<u>\$ 7,476</u>	<u>\$ 13,724</u>
Notes receivable:					
Echo World Comm	\$ -	\$ -	\$ -	\$ -	\$ 91,862

Note 5—Due to/from Component Units:

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

See Note 22 for further details.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 6—Due from Other Governmental Units:

At June 30, 2020, the County had receivables from other governments as follows:

	Governmental Activities				Component Units	
	General	Special Revenue	Capital Projects	Total	School Board	IDA
Commonwealth of Virginia:						
Local sales taxes	\$ 218,224	\$ -	\$ -	\$ 218,224	\$ -	-
State sales taxes	-	-	-	-	283,210	-
Communication sales taxes	56,942	-	-	56,942	-	-
Public assistance	-	57,570	-	57,570	-	-
Comprehensive services	-	98,149	-	98,149	-	-
Shared expenses and grants	175,327	-	-	175,327	-	-
Wireless E911 revenues	11,739	-	-	11,739	-	-
Victim witness	55,641	-	-	55,641	-	-
Tobacco grant	-	-	366,828	366,828	-	-
Other	7,745	-	-	7,745	10,786	-
Federal government:						
DCJS - equipment grant	85,000	-	-	85,000	-	-
Public assistance	-	103,284	-	103,284	-	-
CDBG funds	-	-	51,013	51,013	-	-
COVID Election funds	52,157	-	-	52,157	-	-
Title I	-	-	-	-	132,225	-
Title VI-B	-	-	-	-	48,946	-
School improvement	-	-	-	-	36,918	-
Nutrition	-	-	-	-	27,235	-
Other	-	-	-	-	16,851	-
Total	\$ 662,775	\$ 259,003	\$ 417,841	\$ 1,339,619	\$ 556,171	\$ -

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 7—Capital Assets:

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

Primary Government:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Capital assets not being depreciated:				
Land	\$ 3,597,824	\$ 39,179	\$ -	\$ 3,637,003
Construction in Progress	44,600	316,861	361,461	-
Total capital assets not being depreciated	\$ 3,642,424	\$ 356,040	\$ 361,461	\$ 3,637,003
Other capital assets:				
Buildings and improvements	\$ 13,531,331	\$ 1,055,937	\$ -	\$ 14,587,268
Machinery, equipment and vehicles	9,334,198	762,232	181,167	9,915,263
Intangibles	344,214	-	-	344,214
Jointly owned assets	5,260,727	-	474,622	4,786,105
Total other capital assets	\$ 28,470,470	\$ 1,818,169	\$ 655,789	\$ 29,632,850
Accumulated depreciation:				
Buildings and improvements	\$ 6,050,536	\$ 357,633	\$ -	\$ 6,408,169
Machinery, equipment and vehicles	5,408,522	822,535	181,167	6,049,890
Intangibles	208,338	9,058	-	217,396
Jointly owned assets	1,832,686	141,903	166,176	1,808,413
Total accumulated depreciation	\$ 13,500,082	\$ 1,331,129	\$ 347,343	\$ 14,483,868
Other capital assets, net	\$ 14,970,388	\$ 487,040	\$ 308,446	\$ 15,148,982
Net capital assets	\$ 18,612,812	\$ 843,080	\$ 669,907	\$ 18,785,985

Depreciation is allocated to:

General government administration	\$ 238,314
Judicial administration	4,243
Public safety	679,031
Public works	149,380
Health and welfare	22,220
Education	141,903
Parks and recreation	74,345
Community Development	21,693
Total	\$ 1,331,129

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 7—Capital Assets: (Continued)

Component Unit—School Board:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Capital assets not being depreciated:				
Land	\$ 25,822	\$ -	\$ -	\$ 25,822
Total capital assets not being depreciated	\$ 25,822	\$ -	\$ -	\$ 25,822
Other capital assets:				
Buildings and improvements	\$ 11,742,732	\$ -	\$ 5,663	\$ 11,737,069
Machinery, equipment and vehicles	6,054,817	65,291	1,289,415	4,830,693
Jointly owned assets	4,809,687	474,622	-	5,284,309
Total other capital assets	\$ 22,607,236	\$ 539,913	\$ 1,295,078	\$ 21,852,071
Accumulated depreciation:				
Buildings and improvements	\$ 7,871,830	\$ 176,753	\$ 5,663	\$ 8,042,920
Machinery, equipment and vehicles	5,231,438	268,814	1,289,415	4,210,837
Jointly owned assets	1,677,954	314,284	-	1,992,238
Total accumulated depreciation	\$ 14,781,222	\$ 759,851	\$ 1,295,078	\$ 14,245,995
Other capital assets, net	\$ 7,826,014	\$ (219,938)	\$ -	\$ 7,606,076
Net capital assets	\$ 7,851,836	\$ (219,938)	\$ -	\$ 7,631,898
Depreciation is allocated to education		\$ 759,851		

- 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, 2020, is that school financed assets in the amount of \$2,977,692 net are reported in the Primary Government for financial reporting purposes.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 7—Capital Assets: (Continued)

Component Unit—Industrial Development Authority:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Capital assets not being depreciated:				
Land	\$ 39,142	\$ -	\$ 25,948	\$ 13,194
Other capital assets:				
Buildings	\$ 199,098	\$ -	\$ 199,098	\$ -
Improvements	26,022	-	26,022	-
Machinery, equipment and vehicles	16,019	33,415	-	49,434
Total other capital assets	\$ 241,139	\$ 33,415	\$ 225,120	\$ 49,434
Accumulated depreciation:				
Buildings	\$ 98,434	\$ -	\$ 98,434	\$ -
Improvements	26,022	-	26,022	-
Machinery, equipment and vehicles	14,867	5,733	-	20,600
Total accumulated depreciation	\$ 139,323	\$ 5,733	\$ 124,456	\$ 20,600
Other capital assets, net	\$ 101,816	\$ 27,682	\$ 100,664	\$ 28,834
Net capital assets	\$ 140,958	\$ 27,682	\$ 126,612	\$ 42,028
Depreciation is allocated to the Industrial Development Authority			\$ 5,733	

Note 8—Unearned and Unavailable Revenue:

The government's unearned and unavailable revenue consist of the following at June 30, 2020:

	Statement of Net Position Governmental Activities	Balance Sheet Governmental Funds
Primary Government:		
Unearned revenue:		
This amount represents the amount of unspent CARES Act funding at year-end.	\$ 1,327,959	\$ 1,327,959
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.	\$ -	\$ 838,214

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 9—Long-Term Obligations:

The following is a summary of long-term obligation transactions for the County for the year ended June 30, 2020.

	<u>Balance July 1, 2019</u>	<u>Issuances/ Increases</u>	<u>Retirements/ Decreases</u>	<u>Balance June 30, 2020</u>
Primary Government:				
Bonds payable (direct borrowings and direct placements):				
Lease revenue bonds	\$ 8,120,001	\$ -	\$ 430,000	\$ 7,690,001
Premium on issuance	229,318	-	33,971	195,347
Discount on issuance	(13,284)	-	(1,499)	(11,785)
General obligation bonds:				
School	4,118,958	-	474,622	3,644,336
Premium on issuance	33,888	-	8,450	25,438
Qualified Zone Academy Bonds	1,141,769	-	-	1,141,769
Total bonds payable	\$ 13,630,650	\$ -	\$ 945,544	\$ 12,685,106
Capital lease - radio communication network	2,028,000	-	119,000	1,909,000
Sewer capacity agreement	139,776	-	8,736	131,040
Compensated absences	614,749	40,653	-	655,402
Landfill closure/postclosure liability	648,198	11,020	-	659,218
Net OPEB liabilities	1,027,495	430,781	180,629	1,277,647
Net pension liability	3,043,208	2,790,097	1,685,887	4,147,418
Total obligations from governmental activities	\$ 21,132,076	\$ 3,272,551	\$ 2,939,796	\$ 21,464,831
Component Units:				
School Board				
Capital lease - buses	\$ 236,472	\$ -	\$ 77,464	\$ 159,008
Compensated absences	480,346	-	396,051	84,295
Net OPEB liabilities	2,904,284	666,776	620,516	2,950,544
Net pension liability	13,534,000	5,059,837	4,434,381	14,159,456
Total payable from School Board	\$ 17,155,102	\$ 5,726,613	\$ 5,528,412	\$ 17,353,303
Industrial Development Authority				
Net OPEB liability	\$ 6,000	\$ 9,643	\$ 4,089	\$ 11,554
Total payable from IDA	\$ 6,000	\$ 9,643	\$ 4,089	\$ 11,554
Total obligations from component units	\$ 17,161,102	\$ 5,736,256	\$ 5,532,501	\$ 17,364,857
Total long-term obligations	\$ 38,293,178	\$ 9,008,807	\$ 8,472,297	\$ 38,829,688

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	\$ 2,298,796	\$ 87,246	\$ -	\$ 2,386,042
Due in more than one year	19,166,035	17,266,057	11,554	36,443,646
Total long-term obligations	\$ 21,464,831	\$ 17,353,303	\$ 11,554	\$ 38,829,688

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 9—Long-Term Obligations: (Continued)**Primary Government:**

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

Year Ending June 30,	Direct Borrowings and Placements		Capital leases		Sewer Agreement	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 2,102,520	\$ 520,466	\$ 122,000	\$ 57,079	\$ 8,736	\$ -
2022	991,609	484,897	126,000	53,431	8,736	-
2023	1,012,811	447,216	130,000	49,664	8,736	-
2024	1,039,160	408,021	134,000	45,777	8,736	-
2025	979,765	368,292	138,000	41,770	8,736	-
2026-2030	4,173,690	1,281,962	752,000	144,537	43,680	-
2031-2035	2,385,551	250,261	507,000	30,618	43,680	-
Total	\$ <u>12,685,106</u>	\$ <u>3,761,115</u>	\$ <u>1,909,000</u>	\$ <u>422,876</u>	\$ <u>131,040</u>	\$ <u>-</u>

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

School Board:

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

Year Ending June 30,	Principal	Interest
2021	\$ 78,816	\$ 2,799
2022	<u>80,192</u>	<u>1,423</u>
Total	\$ <u>159,008</u>	\$ <u>4,222</u>

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 9—Long-Term Obligations: (Continued)

Federal Arbitrage Regulations:

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

Events of Default:

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

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

The bank holds a lien on securities held within the Sinking Fund for QZAB bonds. In an event of default by the bank, the issuer has the right to declare the entire balance of the deposit and all accrued and unpaid interest due and payable. If default is due to bankruptcy, the entire balance of the Deposit and all accrued and unpaid interest thereon shall immediately become due and payable without notice of any kind. In an event of default by the issuer, which has not been cured within 10 days of the applicable deposit date, the Bank has right to terminate agreement and demand payment of a positive termination amount within one business day and payment of absolute value of negative termination amount upon the bank's demand.

Moral Obligations:

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

The Member Moral Obligation of the County and other Member Jurisdictions was extended to payment of the Note on the same proportionate basis as such commitment was made to the VRA Bond and the Carter Bank Note. The balance of outstanding debt at June 30, 2020 was \$34,800,000.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements As of June 30, 2020 (Continued)

Note 9—Long-Term Obligations: (Continued)

Details of Long-Term Obligations:

Type/ Project	Interest Rates	Issue Date	Principal Installments	Final Maturity Date	Amount of Original Issue	Balance Governmental Activities	Amount Due Within One Year
Primary Government:							
Lease revenue bonds:							
Direct Borrowings and Direct Placements:							
Old Courthouse Renovation Refunding	4.443%-5.125%	11/14/2018	Annual	10/1/2030	\$ 1,750,000	\$ 1,640,000	\$ 115,000
Unamortized premium on Issuance	n/a	n/a	n/a	n/a	245,552	195,347	31,853
Property Acquisition (Adirondack, Airport, Timmons)	2.911%-4.404%	11/14/2018	Annual	10/1/2033	2,015,000	1,910,000	105,000
Unamortized discount on Issuance	n/a	n/a	n/a	n/a	(13,994)	(11,785)	(1,435)
Rt. 58 Infrastructure	.720%-5.121%	11/20/2013	Annual	10/1/2033	5,175,000	4,140,001	220,000
Total lease revenue bonds						\$ 7,873,563	\$ 470,418
General obligation school bonds:							
Direct Borrowings and Direct Placements:							
School bonds	3.10%-5.35%	11/6/2003	Annual	7/15/2023	\$ 1,388,892	\$ 339,163	\$ 81,070
Unamortized premium on Issuance	n/a	n/a	n/a	n/a	n/a	3,933	1,700
School bonds	4.225%-5.100%	11/9/2006	Annual	7/15/2016	6,009,753	2,415,173	322,004
Unamortized premium on Issuance	n/a	n/a	n/a	n/a	n/a	21,505	5,559
School bonds	4.25%	* 12/1/2011	Annual	n/a	1,530,000	890,000	80,000
Net general obligation school bonds	* To be refunded by Federal Tax Credit					\$ 3,669,774	\$ 490,333
School construction bonds (Qualified Zone Academy Bonds):							
Direct Borrowings and Direct Placements:							
School construction	2.0% Imputed	12/31/2004	Annual	* 12/30/2020	\$ 1,141,769	\$ 1,141,769	\$ 1,141,769
Total school construction bonds			*Payments into sinking fund			\$ 1,141,769	\$ 1,141,769
Other Obligations:							
Capital lease - radio communications network	2.99% *	3/9/2018	Annual	2/1/2033	\$ 2,150,000	\$ 1,909,000	\$ 122,000
	* 10 Year Interest Rate - Reset at 2/1/28 (based on Prime less 1.51% with a floor of 2.99%)						
Town of Broadnax sewer capacity agreement	** n/a	1997	Monthly	6/2035	344,214	131,040	8,736
	** To purchase 20,000 gpd of sewer capacity						
Compensated absences	n/a	n/a	n/a	n/a	n/a	655,402	65,540
Landfill closure/postclosure liability	n/a	n/a	n/a	n/a	n/a	659,218	-
Net OPEB liabilities	n/a	n/a	n/a	n/a	n/a	1,277,647	-
Net pension liability	n/a	n/a	n/a	n/a	n/a	4,147,418	-
Total Other Obligations						\$ 8,779,725	\$ 196,276
Total long-term obligations, Primary Government						\$ 21,464,831	\$ 2,298,796
Component Unit School Board:							
Other Obligations:							
Capital lease - buses	1.76%	8/4/2017	Annual	7/26/2021	\$ 394,200	\$ 159,008	\$ 78,816
Compensated absences	n/a	n/a	n/a	n/a	n/a	84,295	8,430
Net OPEB liabilities	n/a	n/a	n/a	n/a	n/a	2,950,544	-
Net pension liability	n/a	n/a	n/a	n/a	n/a	14,159,456	-
Total long-term obligations, Component Unit School Board						\$ 17,353,303	\$ 87,246
Component Unit Industrial Development Authority:							
Other Obligations:							
Net OPEB liability						\$ 11,554	\$ -
Total Other Obligations						\$ 11,554	\$ -

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 10—Compensated Absences:

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

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

Note 11—Commitments and Contingencies:

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

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

Note 12—Risk Management:

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

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

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

Note 13—Litigation:

At June 30, 2020, there were no significant matters of litigation pending involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to the County.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

The School Board contributed \$21,500 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 2020. The County has the responsibility of a prudent investor in regard to the plan but is not liable for losses arising from the plan and thus the value of the plan assets is not recorded in the County's financial report.

Note 15—Pension Plans:

Plan Description

All full-time, salaried permanent employees of the County and (nonprofessional) employees of public school divisions are automatically covered by a VRS Retirement Plan upon employment. This agent multiple-employer plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

Benefit Structures

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

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

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Pension Plans: (Continued)

Average Final Compensation and Service Retirement Multiplier

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

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

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

Employees Covered by Benefit Terms

As of the June 30, 2018 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	73	43
Inactive members:		
Vested inactive members	16	1
Non-vested inactive members	22	10
Inactive members active elsewhere in VRS	51	5
Total inactive members	89	16
Active members	121	42
Total covered employees	283	101

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Pension Plans: (Continued)

Contributions

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

The County's contractually required employer contribution rate for the year ended June 30, 2020 was 10.12% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$598,647 and \$582,417 for the years ended June 30, 2020 and June 30, 2019, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2020 was 2.09% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$18,627 and \$18,019 for the years ended June 30, 2020 and June 30, 2019, respectively.

Net Pension Liability (Asset)

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. The County's and Component Unit School Board's (nonprofessional) net pension liability and (asset) were measured as of June 30, 2019. The total pension liabilities used to calculate the net pension liability and (asset) were determined by an actuarial valuation performed as of June 30, 2018 and rolled forward to the measurement date of June 30, 2019.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Pension Plans: (Continued)

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the County's and Component Unit School Board's (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

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

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

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

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Pension Plans: (Continued)

Actuarial Assumptions – General Employees (Continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

Inflation	2.50%
Salary increases, including inflation	3.50% – 4.75%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Pension Plans: (Continued)

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

Mortality rates:

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

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year, 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Pension Plans: (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	3.00%	6.29%	0.19%
Total	100.00%		5.13%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.63%

* The above allocation provides a one-year return of 7.63%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2019, the alternate rate

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Pension Plans: (Continued)

Discount Rate: (Continued)

was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2019, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2019 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability (Asset)

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2018	\$ 22,244,157	\$ 19,200,949	\$ 3,043,208
Changes for the year:			
Service cost	\$ 549,592	\$ -	\$ 549,592
Interest	1,527,260	-	1,527,260
Changes of assumptions	756,466	-	756,466
Differences between expected and actual experience	419,663	-	419,663
Contributions - employer	-	582,420	(582,420)
Contributions - employee	-	284,276	(284,276)
Net investment income	-	1,295,345	(1,295,345)
Benefit payments, including refunds of employee contributions	(852,327)	(852,327)	-
Administrative expenses	-	(12,452)	12,452
Other changes	-	(818)	818
Net changes	\$ 2,400,654	\$ 1,296,444	\$ 1,104,210
Balances at June 30, 2019	\$ 24,644,811	\$ 20,497,393	\$ 4,147,418

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Pension Plans: (Continued)

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

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2018	\$ 5,014,511	\$ 5,587,515	\$ (573,004)
Changes for the year:			
Service cost	\$ 113,303	\$ -	\$ 113,303
Interest	340,566	-	340,566
Changes of assumptions	129,554	-	129,554
Differences between expected and actual experience	51,681	-	51,681
Contributions - employer	-	18,627	(18,627)
Contributions - employee	-	50,809	(50,809)
Net investment income	-	364,341	(364,341)
Benefit payments, including refunds of employee contributions	(298,551)	(298,551)	-
Administrative expenses	-	(3,767)	3,767
Other changes	-	(228)	228
Net changes	\$ 336,553	\$ 131,231	\$ 205,322
Balances at June 30, 2019	\$ 5,351,064	\$ 5,718,746	\$ (367,682)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County Net Pension Liability	\$ 7,586,924	\$ 4,147,418	\$ 1,415,057
Component Unit School Board (nonprofessional) Net Pension Liability (Asset)	\$ 192,271	\$ (367,682)	\$ (821,830)

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Pension Plans: (Continued)

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

For the year ended June 30, 2020, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$611,708 and (\$14,648), respectively. At June 30, 2020, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 318,581	\$ 247,146	\$ 29,595	\$ 76,092
Changes of assumptions	537,200	4,488	74,189	-
Net difference between projected and actual earnings on pension plan investments	-	174,003	-	48,138
Employer contributions subsequent to the measurement date	598,647	-	18,627	-
Total	<u>\$ 1,454,428</u>	<u>\$ 425,637</u>	<u>\$ 122,411</u>	<u>\$ 124,230</u>

\$598,647 and \$18,627 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2021	\$ 185,796	\$ 2,384
2022	86,871	(25,762)
2023	147,726	(794)
2024	9,751	3,726
Thereafter	-	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2019-annual-report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Pension Plans: (Continued)

Component Unit School Board (Professional)

Plan Description

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each School Division's contractually required employer contribution rate for the year ended June 30, 2020 was 15.68% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$1,421,634 and \$1,378,861 for the years ended June 30, 2020 and June 30, 2019, respectively.

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

At June 30, 2020, the school division reported a liability of \$14,159,456 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2018 and rolled forward to the measurement date of June 30, 2019. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the school division's proportion was .10759% as compared to .11508% at June 30, 2018.

For the year ended June 30, 2020, the school division recognized pension expense of \$727,719. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Pension Plans: (Continued)**Component Unit School Board (Professional) (Continued)*****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)***

At June 30, 2020, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 906,690
Change of assumptions	1,402,118	-
Net difference between projected and actual earnings on pension plan investments	-	310,908
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	1,676,683
Employer contributions subsequent to the measurement date	<u>1,421,634</u>	<u>-</u>
Total	\$ <u><u>2,823,752</u></u>	\$ <u><u>2,894,281</u></u>

\$1,421,634 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2021	\$ (529,383)
2022	(696,621)
2023	(263,860)
2024	(37,241)
2025	34,942

Note 15–Pension Plans: (Continued)

Component Unit School Board (Professional) (Continued)

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

Inflation	2.50%
Salary increases, including inflation	3.50% – 5.95%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

Mortality rates:

Pre-Retirement:
RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement:
RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 75 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:
RP-2014 Disability Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Pension Plans: (Continued)

Component Unit School Board (Professional) (Continued)

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2019, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total Pension Liability	\$ 49,683,336
Plan Fiduciary Net Position	<u>36,522,769</u>
Employers' Net Pension Liability	<u><u>\$ 13,160,567</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.51%

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

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

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Pension Plans: (Continued)**Component Unit School Board (Professional) (Continued)*****Sensitivity of the School Division's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability	\$ 21,316,132	\$ 14,159,456	\$ 8,242,210

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2019-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Primary Government and Component Unit School Board***Aggregate Pension Information***

	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
Primary Government:				
VRS Pension Plans	\$ 1,454,428	\$ 425,637	\$ 4,147,418	\$ 611,708
Component Unit School Board:				
VRS Pension Plans:				
School Board Nonprofessional	\$ 122,411	\$ 124,230	\$ (367,682)	\$ (14,648)
School Board Professional	2,823,752	2,894,281	14,159,456	727,719
Totals	\$ 2,946,163	\$ 3,018,511	\$ 13,791,774	\$ 713,071

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 16—Deferred Compensation Plan:

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

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

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

Plan Description

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

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

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

Eligible Employees

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

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, safety belt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,463 as of June 30, 2020.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

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

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% x 60%) and the employer component was 0.52% (1.31% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2020 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the County, Component Unit School Board (nonprofessional), and Component Unit School Board (professional) were \$32,258 and \$31,041, \$6,083 and \$5,599, and \$48,583 and \$46,833 for the years ended June 30, 2020 and June 30, 2019, respectively.

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

At June 30, 2020, the County, Component Unit School Board (nonprofessional), and Component Unit School Board (professional) reported a liability of \$495,503, \$89,337, and \$747,567, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2019 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2018, and rolled forward to the measurement date of June 30, 2019. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the County's, Component Unit School Board (nonprofessional), and Component Unit School Board (professional) proportion was .03045%, .00549%, and .04594%, respectively as compared to .02813%, .00591%, and .04896% at June 30, 2018.

For the year ended June 30, 2020, the County, Component Unit School Board (nonprofessional), and Component Unit School Board (professional) recognized GLI OPEB expense of \$25,142, \$459, and \$(443), respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

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

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

At June 30, 2020, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government		
Differences between expected and actual experience	\$ 32,954	\$ 6,427
Net difference between projected and actual earnings on GLI OPEB plan investments	-	10,178
Change of assumptions	31,283	14,942
Changes in proportion	63,089	-
Employer contributions subsequent to the measurement date	32,258	-
Total	<u>\$ 159,584</u>	<u>\$ 31,547</u>
School Board - Nonprofessional		
Differences between expected and actual experience	\$ 5,941	\$ 1,158
Net difference between projected and actual earnings on GLI OPEB plan investments	-	1,835
Change of assumptions	5,640	2,694
Changes in proportion	-	8,046
Employer contributions subsequent to the measurement date	6,083	-
Total	<u>\$ 17,664</u>	<u>\$ 13,733</u>
School Board - Professional		
Differences between expected and actual experience	\$ 49,718	\$ 9,697
Net difference between projected and actual earnings on GLI OPEB plan investments	-	15,356
Change of assumptions	47,197	22,542
Changes in proportion	-	84,098
Employer contributions subsequent to the measurement date	48,583	-
Total	<u>\$ 145,498</u>	<u>\$ 131,693</u>

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

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

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

\$32,258, \$6,083, and \$48,583 reported as deferred outflows of resources related to the GLI OPEB resulting from the County, Component Unit School Board (nonprofessional), and Component Unit School Board (professional)'s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30		Primary Government		School Board (nonprofessional)		School Board (professional)
2021	\$	15,444	\$	(1,289)	\$	(15,074)
2022		15,445		(1,289)		(15,073)
2023		19,755		(512)		(8,570)
2024		22,330		198		(2,139)
2025		18,052		577		4,293
Thereafter		4,753		163		1,785

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS CAFR.

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

*Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of OPEB liabilities.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

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

Actuarial Assumptions: (Continued)

Mortality Rates – Teachers

Pre-Retirement:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement:

RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; 115% of rates for males and females.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

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

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

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

Actuarial Assumptions: (Continued)

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

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

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

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

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

Actuarial Assumptions: (Continued)

Mortality Rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees: (Continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2019, NOL amounts for the GLI Plan are follows (amounts expressed in thousands):

		GLI OPEB Plan
Total GLI OPEB Liability	\$	3,390,238
Plan Fiduciary Net Position		1,762,972
GLI Net OPEB Liability (Asset)	\$	<u>1,627,266</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		52.00%

The total GLI OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

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

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

The Teacher Employee HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For Teacher and other professional school employees who retire with at least 15 years of service credit, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount. For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either: \$4.00 per month, multiplied by twice the amount of service credit, or \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

HIC Plan Notes

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

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

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2020 was 1.20% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$112,059 and \$107,997 for the years ended June 30, 2020 and June 30, 2019, respectively.

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

At June 30, 2020, the school division reported a liability of \$1,404,662 for its proportionate share of the VRS Teacher Employee HIC Plan Net OPEB Liability. The Net VRS Teacher Employee HIC Plan OPEB Liability was measured as of June 30, 2019 and the total VRS Teacher Employee HIC Plan OPEB liability used to calculate the Net VRS Teacher Employee HIC Plan OPEB Liability was determined by an actuarial valuation performed as of June 30, 2018 and rolled forward to the measurement date of June 30, 2019. The school division's proportion of the Net VRS Teacher Employee HIC Plan OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC Plan OPEB plan for the year ended June 30, 2018 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the school division's proportion of the VRS Teacher Employee HIC Plan was .10730% as compared to .11491% at June 30, 2018.

For the year ended June 30, 2020, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$86,341. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Plan Net OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 17—Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)**Teacher Employee Health Insurance Credit (HIC) Plan(OPEB Plan): (Continued)*****Teacher Employee HIC Plan OPEB Liabilities, Teacher Employee HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee HIC Plan OPEB: (Continued)***

At June 30, 2020, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC Plan OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$ 7,957
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	89	-
Change of assumptions	32,693	9,760
Changes in proportion	-	171,779
Employer contributions subsequent to the measurement date	<u>112,059</u>	<u>-</u>
Total	\$ <u>144,841</u>	\$ <u>189,496</u>

\$112,059 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2021	\$ (27,933)
2022	(27,934)
2023	(27,319)
2024	(27,525)
2025	(25,611)
Thereafter	(20,392)

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

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

Actuarial Assumptions

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee HIC Plan was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

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

*Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of OPEB liabilities.

Mortality Rates – Teachers

Pre-Retirement:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement:

RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; 115% of rates for males and females.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

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

Actuarial Assumptions: (Continued)

Mortality Rates – Teachers: (Continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee HIC Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2019, NOL amounts for the VRS Teacher Employee HIC Plan is as follows (amounts expressed in thousands):

		Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB Liability	\$	1,438,114
Plan Fiduciary Net Position		129,016
Teacher Employee HIC Net OPEB Liability (Asset)	\$	<u>1,309,098</u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		8.97%

The total Teacher Employee HIC OPEB liability is calculated by the System's actuary, and the plan's fiduciary net position is reported in the System's financial statements. The net Teacher Employee HIC OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

Long-Term Expected Rate of Return

The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	3.00%	6.29%	0.19%
Total	100.00%		5.13%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.63%

*The above allocation provides a one-year return of 7.63%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

The discount rate used to measure the total GLI and Teacher Employee HIC OPEB liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2019, the rate contributed by the entity for the GLI OPEB and by each school division for the VRS Teacher Employee HIC Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2019 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's and Teacher Employee HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI and Teacher Employee HIC OPEB liability.

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

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

Proportionate Share of GLI Plan Net OPEB Liability	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Primary Government	\$ 650,953	\$ 495,503	\$ 369,436
School Board (nonprofessional)	117,364	89,337	66,608
School Board (professional)	982,095	747,567	557,370

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net OPEB Liability	\$ 1,572,055	\$ 1,404,662	\$ 1,262,461

GLI and Teacher HIC Plans' Fiduciary Net Position

Detailed information about the GLI and Teacher HIC Plan's Fiduciary Net Position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2019-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 18—Other Postemployment Benefits – Health Insurance Credit (HIC) Plan:

Plan Description

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

The specific information about the Political Subdivision HIC Plan OPEB, including eligibility, coverage and benefits described below:

Eligible Employees

The Political Subdivision Retiree HIC Plan was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and retire with at least 15 years of service credit. Eligible employees include full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan. These employees are enrolled automatically upon employment.

Benefit Amounts

The Political Subdivision Retiree HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. For employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month. For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.

HIC Plan Notes

The monthly HIC benefit cannot exceed the individual premium amount. There is no HIC for premiums paid and qualified under LODA; however, the employee may receive the credit for premiums paid for other qualified health plans. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

Employees Covered by Benefit Terms

As of the June 30, 2018 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	14
Active members	42
Total covered employees	<u>56</u>

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The School Board's contractually required employer contribution rate for the year ended June 30, 2020 was .54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Board to the HIC Plan were \$6,317 and \$5,782 for the years ended June 30, 2020 and June 30, 2019, respectively.

Net HIC OPEB Liability

The School Board's net Health Insurance Credit OPEB liability was measured as of June 30, 2019. The total Health Insurance Credit OPEB liability was determined by an actuarial valuation performed as of June 30, 2018, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

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

*Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of the OPEB liabilities.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

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

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

Long-Term Expected Rate of Return

The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	3.00%	6.29%	0.19%
Total	100.00%		5.13%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.63%

*The above allocation provides a one-year return of 7.63%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2019, the rate contributed by the entity for the HIC OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2019 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2018	\$ 114,686	\$ 50,294	\$ 64,392
Changes for the year:			
Service cost	\$ 1,807	\$ -	\$ 1,807
Interest	7,787	-	7,787
Differences between expected and actual experience	(13,749)	-	(13,749)
Changes of assumptions	2,202	-	2,202
Contributions - employer	-	5,782	(5,782)
Net investment income	-	3,195	(3,195)
Benefit payments	(6,891)	(6,891)	-
Administrative expenses	-	(69)	69
Other changes	-	(3)	3
Net changes	\$ (8,844)	\$ 2,014	\$ (10,858)
Balances at June 30, 2019	\$ 105,842	\$ 52,308	\$ 53,534

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School Board's Net HIC OPEB Liability	\$ 63,164	\$ 53,534	\$ 45,165

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB

For the year ended June 30, 2020, the School Board recognized HIC Plan OPEB expense of \$1,409. At June 30, 2020, the School Board reported deferred outflows of resources and deferred inflows of resources related to the School Board's HIC Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 12,819
Net difference between projected and actual earnings on HIC OPEB plan investments	-	593
Change of assumptions	1,679	1,183
Employer contributions subsequent to the measurement date	<u>6,317</u>	<u>-</u>
Total	\$ <u><u>7,996</u></u>	\$ <u><u>14,595</u></u>

\$6,317 reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ended June 30

2021	\$ (4,777)
2022	(4,433)
2023	(3,188)
2024	(518)

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2019-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 19—Other Postemployment Benefits – Health Insurance and LODA:

Plan Description

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

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

Plan Membership

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

	Primary Government	School Board
Total active employees with coverage	147	254
Total retirees with coverage	4	6
Total spouses of retirees with coverage	-	1
Total	<u>151</u>	<u>261</u>

Funding Policy

The County and School Board establish employer contribution rates for plan participants as part of the budgetary process each year. The County and School Board also determine how the plans will be funded each year, whether they will partially fund the plans or fully fund the plans. The plans are not currently pre-funded; therefore, no assets are accumulated in a trust fund. The retiree and spouse must pay the entire premium. Coverage ceases when retirees reach the age of 65 or upon death, if earlier. Disability benefits end when the retiree is eligible for Medicare. The amount paid by the County and School Board for OPEB as the benefits came due during the year ended June 30, 2020 was \$30,666 and \$37,820, respectively.

Total OPEB Liability

The County and School Board's total OPEB liability was measured as of June 30, 2020. The total OPEB liability was determined by an actuarial valuation performed as of July 1, 2019.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

Actuarial Assumptions

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

Inflation	2.50% per year as of June 30, 2019 and 2020
Salary Increases	The salary increase rate starts at 5.35% salary increase for 1 year of service and gradually declines to 3.50% salary increase for 20 or more years of service for County and nonprofessional School Board employees. The rate for professional School Board employees starts at 5.95% and gradually declines to 3.50%.
Discount Rate	3.50% as of June 30, 2019 and 2.21% as of June 30, 2020

For the County, the following mortality rates were used:

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

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

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

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

Brunswick County and the School Board have not set aside assets specifically for funding OPEB, so benefits are paid from the County's and School's general pool of assets. To estimate the rate of return on these assets, a discount rate assumption similar to yields implied by theoretical 20-year general obligation bond indices as of June 30, 2020 was selected.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

Discount Rate

The discount rates are based on the Bond Buyer General Obligation 20-Bond Municipal Index as of their respective measurement dates. The final equivalent single discount rate used for this year's valuation is 2.21% as of the end of the fiscal year.

Changes in Total OPEB Liability

	<u>Primary Government Total OPEB Liability</u>	<u>School Board Total OPEB Liability</u>
Balances at June 30, 2019	\$ 600,495	\$ 547,892
Changes for the year:		
Service cost	\$ 40,288	\$ 34,988
Interest	21,895	19,745
Difference between expected and actual experience	20,396	(14,391)
Changes in assumptions	129,736	105,030
Benefit payments	(30,666)	(37,820)
Net changes	\$ 181,649	\$ 107,552
Balances at June 30, 2020	\$ 782,144	\$ 655,444

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

The following amounts present the total OPEB liability of the County and School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.21%) or one percentage point higher (3.21%) than the current discount rate:

	<u>1% Decrease (1.21%)</u>	<u>Current Discount Rate (2.21%)</u>	<u>1% Increase (3.21%)</u>
Primary Government	\$ 854,403	\$ 782,144	\$ 715,149
School Board	693,366	655,444	617,967

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

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

The following presents the total OPEB liability of the County and School Board, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (9.30% decreasing to an ultimate rate of 3.00% - County and 1.80% increasing to an ultimate rate of 3.00% - School Board) or one percentage point higher (11.30% decreasing to an ultimate rate of 5.00% - County and 3.80% increasing to an ultimate rate of 5.00% - School Board) than the current healthcare cost trend rates (10.30% decreasing to an ultimate rate of 4.00% - County and 2.80% increasing to 5.20% and then decreasing to an ultimate rate of 4.00% - School Board):

	Rates		
	1% Decrease	Healthcare Cost Trend	1% Increase
Primary Government	\$ 670,781	\$ 782,144	\$ 916,091
School Board	580,276	655,444	743,024

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

For the year ended June 30, 2020, the County and School Board recognized OPEB expense in the amount of \$88,023 and \$70,730, respectively. At June 30, 2020, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Primary Government		School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 16,997	\$ -	\$ -	\$ 11,952
Changes of assumptions	120,735	10,168	93,530	4,904
Total	<u>\$ 137,732</u>	<u>\$ 10,168</u>	<u>\$ 93,530</u>	<u>\$ 16,856</u>

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources: (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>		<u>Primary Government</u>		<u>School Board</u>
2021	\$	25,840	\$	15,997
2022		25,840		15,997
2023		25,840		15,493
2024		25,022		15,363
2025		25,022		13,824

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

Line of Duty Act (LODA)

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

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

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

The County's LODA coverage is fully covered or "insured" through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The County's LODA premium for the year ended June 30, 2020 was \$35,295.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 19—Other Postemployment Benefits – Health Insurance and LODA: (Continued)**Primary Government and Component Unit School Board*****Aggregate OPEB Information***

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net OPEB Liability (Asset)</u>	<u>OPEB Expense</u>
OPEB Plans:				
Primary Government:				
GLI	\$ 159,584	\$ 31,547	\$ 495,503	\$ 25,142
Retiree Medical	137,732	10,168	782,144	88,023
Totals	<u>\$ 297,316</u>	<u>\$ 41,715</u>	<u>\$ 1,277,647</u>	<u>\$ 113,165</u>
Component Unit School Board:				
GLI	\$ 17,664	\$ 13,733	\$ 89,337	\$ 459
Teacher GLI	145,498	131,693	747,567	(443)
HIC	7,996	14,595	53,534	1,409
Teacher HIC	144,841	189,496	1,404,662	86,341
Retiree Medical	93,530	16,856	655,444	70,730
Totals	<u>\$ 409,529</u>	<u>\$ 366,373</u>	<u>\$ 2,950,544</u>	<u>\$ 158,496</u>

Note 20—Surety Bond Information:

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

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 21—Interfund Balances and Transfers:

Interfund balances and transfers for the year ended June 30, 2020, consisted of the following:

	<u>Due To</u>	<u>Due From</u>	<u>Net</u>
Primary Government:			
General Fund	\$ -	\$ 241,308	\$ (241,308)
VPA Fund	180,653	-	180,653
CSA Fund	60,655	-	60,655
Total Primary Government	\$ <u>241,308</u>	\$ <u>241,308</u>	\$ <u>-</u>
Component Unit:			
IDA	\$ <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	\$ -	\$ 2,065,837	\$ (2,065,837)
VPA Fund	393,039	-	393,039
Debt Service Fund	692,175	-	692,175
Capital Projects Fund	739,325	-	739,325
Airport Fund	22,923	-	22,923
CSA Fund	218,375	-	218,375
Total Governmental Activities	\$ <u>2,065,837</u>	\$ <u>2,065,837</u>	\$ <u>-</u>
Total Primary Government	\$ <u>2,065,837</u>	\$ <u>2,065,837</u>	\$ <u>-</u>

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

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

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

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 23—Landfill Closure and Postclosure Care Cost:

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

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used at each balance sheet date. The \$659,218 reported as landfill postclosure care liability at June 30, 2020 represents the estimated remaining amount of postclosure monitoring costs required, including corrective action costs of \$370,522 required by the Department of Environmental Quality. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County intends to fund future costs from funds accumulated for this purpose in the General Fund.

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

Note 24—Subsequent Events

COVID-19 Pandemic and CARES Funding

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency stemming from a new strain of coronavirus that was spreading globally (the “COVID-19 outbreak”). On March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic, triggering volatility in financial markets and a significant negative impact on the global economy.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was passed by the federal government to alleviate some of the effects of the sharp economic downturn due to the COVID-19 pandemic. Among the CARES Act key provisions was \$339.8 billion designated for programs for state and local government, which included \$150 billion in direct aid for state and local governments from the federal Coronavirus Relief Fund (CRF), pursuant to the federal CARES Act, to address spending shortages related to the COVID-19 pandemic.

The Commonwealth of Virginia received approximately \$3.1 billion from the CRF, of which \$1.3 billion was allocated for localities with fewer than 500,000 people. Localities with populations greater than 500,000 could apply to receive funds directly. All other CRF funds were distributed to the states to determine the allocations to localities.

On May 12, 2020, the first round of the allocations to local governments was authorized by the Commonwealth. On June 1, 2020, each locality received its share of the first half, or fifty (50) percent, of the locally based allocations. Unspent funds at June 30 from the initial allocation are reported as unearned revenue. Like the first round, the second round of allocations was based on population and was for the same total amount distributed in the first round. The County received the second round of CRF funds in the amount of \$1,416,092 on August 17, 2020. A total of \$2,560,328 was spent as of March 24, 2021, leaving a balance of \$271,856 in funds on hand.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 24--Subsequent Events: (Continued)

COVID-19 Pandemic and CARES Funding: (Continued)

The federal guidance for the CARES Act states that the CRF funds can be used only for the direct costs associated with the response to the COVID-19 pandemic and cannot be used to address revenue shortfalls. CRF funds are considered one-time funds and should not be used for ongoing services or base operations. As a condition of receiving CRF funds, any funds unexpended as of December 30, 2020 were to be returned to the federal government. In December 2020, legislation was passed that extended this spending deadline to December 31, 2021.

In November 18, 2020, the County announced the following additional awards:

- \$520,000 to assist small businesses that have been impacted by COVID-19
- \$278,626 CARES Act Broadband grant funds
- \$76,500 CARES Act Broadband grant funds for Lawrenceville Broadband Capacity Project

The COVID-19 pandemic developed rapidly in 2020 and remains a quickly evolving situation. As a result of the spread of COVID-19, economic uncertainties have arisen which are likely to negatively impact economic activity. Due the impact of COVID, on January 1, 2021, the Board of Supervisors approved the funding of two additional employees, five days a week, for 24-hour coverage during the periods of January 1, 2021 to June 30, 2021 as follows:

- Central Lifesaving and Rescue \$109,630
- Alberta Volunteer Fire and Rescue \$101,630

Aside from these items, the County is not able to estimate the effects of the COVID-19 pandemic for fiscal year 2021.

Other Subsequent Events

On December 11, 2019, the Board approved an option agreement for potential purchase of ~14.64 acres, bearing tax map numbers 91-10 and 95-5 for the initial option price of \$5,000 based on a purchase price of \$450,000 for the property. The County paid the \$5,000 earnest deposit on December 13, 2019 and in August 2020, Dominion Power reimbursed the deposit amount and purchased the property on behalf of the County.

On August 19, 2020, the County announced the receipt of a \$1,000,000 CDBG grant award in support of the Chestnut Road scattered site housing rehabilitation project.

On October 7, 2020, the County closed on the purchase of approximately 28.849 acres of land for \$181,908.

On November 18, 2020, the County closed on a 2020 tax-exempt financing lease in the amount of \$1,645,000 to refund all of the outstanding maturities and accrued interest on the 2018 equipment lease purchase agreement. The closing also included a 2020 taxable financing lease in the amount of \$3,760,000 to refund the callable outstanding maturities on the County's VRA Pooled Bonds, Series 2013C. This transaction will provide a net present value savings of \$155,310 and \$326,896, respectively.

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.

General Fund

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

For the Year Ended June 30, 2020

	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual Amounts	Positive (Negative)
REVENUES				
General property taxes	\$ 15,227,500	\$ 15,227,500	\$ 16,218,105	\$ 990,605
Other local taxes	1,366,428	1,366,428	1,738,812	372,384
Permits, privilege fees, and regulatory licenses	70,600	70,600	55,141	(15,459)
Fines and forfeitures	1,375,475	1,450,475	1,448,184	(2,291)
Revenue from the use of money and property	45,900	45,900	141,080	95,180
Charges for services	800,950	813,143	1,035,631	222,488
Miscellaneous	128,329	129,829	178,576	48,747
Recovered costs	290,345	290,345	310,566	20,221
Intergovernmental:				
Commonwealth	4,408,668	4,517,230	4,056,700	(460,530)
Federal	40,000	203,938	409,370	205,432
Total revenues	\$ 23,754,195	\$ 24,115,388	\$ 25,592,165	\$ 1,476,777
EXPENDITURES				
Current:				
General government administration	\$ 1,760,845	\$ 2,314,058	\$ 2,252,167	\$ 61,891
Judicial administration	1,750,420	1,772,135	1,725,007	47,128
Public safety	9,548,709	9,654,993	9,575,977	79,016
Public works	1,993,641	2,318,880	2,236,935	81,945
Health and welfare	191,776	191,776	216,231	(24,455)
Education	6,783,115	6,783,115	5,930,833	852,282
Parks, recreation, and cultural	346,399	389,833	360,505	29,328
Community development	634,123	715,661	668,448	47,213
Capital projects	7,500	7,500	7,500	-
Debt service:				
Principal retirement	557,736	557,736	557,736	-
Interest and other fiscal charges	413,931	413,931	413,894	37
Total expenditures	\$ 23,988,195	\$ 25,119,618	\$ 23,945,233	\$ 1,174,385
Excess (deficiency) of revenues over (under) expenditures	\$ (234,000)	\$ (1,004,230)	\$ 1,646,932	\$ 2,651,162
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (1,568,025)	\$ (2,526,929)	\$ (2,065,837)	\$ 461,092
Total other financing sources (uses)	\$ (1,568,025)	\$ (2,526,929)	\$ (2,065,837)	\$ 461,092
Net change in fund balances	\$ (1,802,025)	\$ (3,531,159)	\$ (418,905)	\$ 3,112,254
Fund balances - beginning	-	1,886,091	16,214,864	14,328,773
Fund balances - ending	\$ (1,802,025)	\$ (1,645,068)	\$ 15,795,959	\$ 17,441,027

Virginia Public Assistance Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2020

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 3,549	\$ 3,549
Intergovernmental:				
Commonwealth	536,039	536,039	657,632	121,593
Federal	1,254,111	1,254,111	1,200,120	(53,991)
Total revenues	<u>\$ 1,790,150</u>	<u>\$ 1,790,150</u>	<u>\$ 1,861,301</u>	<u>\$ 71,151</u>
EXPENDITURES				
Current:				
Health and welfare	<u>\$ 2,282,189</u>	<u>\$ 2,351,189</u>	<u>\$ 2,254,340</u>	<u>\$ 96,849</u>
Total expenditures	<u>\$ 2,282,189</u>	<u>\$ 2,351,189</u>	<u>\$ 2,254,340</u>	<u>\$ 96,849</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (492,039)</u>	<u>\$ (561,039)</u>	<u>\$ (393,039)</u>	<u>\$ 168,000</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>\$ 492,039</u>	<u>\$ 561,039</u>	<u>\$ 393,039</u>	<u>\$ (168,000)</u>
Total other financing sources (uses)	<u>\$ 492,039</u>	<u>\$ 561,039</u>	<u>\$ 393,039</u>	<u>\$ (168,000)</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule of Changes in Net Pension Liability and Related Ratios
Primary Government
For the Measurement Dates of June 30, 2014 through June 30, 2019

	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	\$ 549,592	\$ 508,828	\$ 502,660	\$ 484,174	\$ 473,347	\$ 467,394
Interest	1,527,260	1,487,495	1,409,855	1,386,660	1,328,062	1,269,942
Changes of assumptions	756,466	-	(31,974)	-	-	-
Differences between expected and actual experience	419,663	(578,884)	146,436	(562,777)	(69,392)	-
Benefit payments	(852,327)	(846,407)	(989,263)	(964,149)	(825,649)	(988,461)
Net change in total pension liability	\$ 2,400,654	\$ 571,032	\$ 1,037,714	\$ 343,908	\$ 906,368	\$ 748,875
Total pension liability - beginning	22,244,157	21,673,125	20,635,411	20,291,503	19,385,135	18,636,260
Total pension liability - ending (a)	<u>\$ 24,644,811</u>	<u>\$ 22,244,157</u>	<u>\$ 21,673,125</u>	<u>\$ 20,635,411</u>	<u>\$ 20,291,503</u>	<u>\$ 19,385,135</u>
Plan fiduciary net position						
Contributions - employer	\$ 582,420	\$ 556,887	\$ 508,505	\$ 618,450	\$ 584,255	\$ 589,542
Contributions - employee	284,276	255,282	237,909	229,606	212,328	225,352
Net investment income	1,295,345	1,329,783	1,961,325	282,280	706,070	2,117,435
Benefit payments	(852,327)	(846,407)	(989,263)	(964,149)	(825,649)	(988,461)
Administrator charges	(12,452)	(11,293)	(11,310)	(9,895)	(9,546)	(11,445)
Other	(818)	(1,192)	(1,751)	(118)	(148)	111
Net change in plan fiduciary net position	\$ 1,296,444	\$ 1,283,060	\$ 1,705,415	\$ 156,174	\$ 667,310	\$ 1,932,534
Plan fiduciary net position - beginning	19,200,949	17,917,889	16,212,484	16,056,310	15,389,000	13,456,466
Plan fiduciary net position - ending (b)	<u>\$ 20,497,393</u>	<u>\$ 19,200,949</u>	<u>\$ 17,917,899</u>	<u>\$ 16,212,484</u>	<u>\$ 16,056,310</u>	<u>\$ 15,389,000</u>
County's net pension liability - ending (a) - (b)	\$ 4,147,418	\$ 3,043,208	\$ 3,755,226	\$ 4,422,927	\$ 4,235,193	\$ 3,996,135
Plan fiduciary net position as a percentage of the total pension liability	83.17%	86.32%	82.67%	78.57%	79.13%	79.39%
Covered payroll	\$ 5,953,521	\$ 5,308,791	\$ 4,804,488	\$ 4,525,045	\$ 4,266,100	\$ 4,238,853
County's net pension liability as a percentage of covered payroll	69.66%	57.32%	78.16%	97.74%	99.28%	94.27%

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

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Component Unit School Board (nonprofessional)
For the Measurement Dates of June 30, 2014 through June 30, 2019

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

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

Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan
For the Measurement Dates of June 30, 2014 through June 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer's Proportion of the Net Pension Liability	0.10759%	0.11508%	0.12224%	0.12449%	0.12561%	0.13337%
Employer's Proportionate Share of the Net Pension Liability	\$ 14,159,456	\$ 13,534,000	\$ 15,033,000	\$ 17,447,000	\$ 15,810,000	\$ 16,117,000
Employer's Covered Payroll	8,999,734	9,303,038	9,655,949	9,490,744	9,590,362	9,752,607
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	157.33%	145.48%	155.69%	183.83%	164.85%	165.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.51%	74.81%	72.92%	68.28%	70.68%	70.88%

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

Schedule of Employer Contributions - VRS Pension Plans
For the Years Ended June 30, 2011 through June 30, 2020

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2020	\$ 598,647	\$ 598,647	\$ -	\$ 6,197,570	9.66%
2019	582,417	582,417	-	5,953,521	9.78%
2018	556,442	556,442	-	5,308,791	10.48%
2017	508,504	508,504	-	4,804,488	10.58%
2016	623,099	623,099	-	4,525,045	13.77%
2015	587,442	587,442	-	4,266,100	13.77%
2014	589,624	589,624	-	4,238,853	13.91%
2013	574,087	574,087	-	4,127,150	13.91%
2012	508,923	508,923	-	4,276,665	11.90%
2011	515,241	515,241	-	4,329,754	11.90%
Component Unit School Board (nonprofessional)					
2020	\$ 18,627	\$ 18,627	\$ -	\$ 1,169,886	1.59%
2019	18,019	18,019	-	1,070,702	1.68%
2018	43,035	43,035	-	1,114,681	3.86%
2017	45,742	45,742	-	1,130,833	4.04%
2016	99,816	99,816	-	1,112,779	8.97%
2015	100,137	100,137	-	1,116,354	8.97%
2014	107,369	107,369	-	1,172,158	9.16%
2013	110,096	110,096	-	1,201,924	9.16%
2012	70,493	70,493	-	1,157,512	6.09%
2011	73,142	73,142	-	1,201,012	6.09%
Component Unit School Board (professional)					
2020	\$ 1,421,634	\$ 1,421,634	\$ -	\$ 9,338,277	15.22%
2019	1,378,861	1,378,861	-	8,999,734	15.32%
2018	1,544,432	1,544,432	-	9,303,038	16.60%
2017	1,360,944	1,360,944	-	9,655,949	14.09%
2016	1,145,347	1,145,347	-	9,490,744	12.07%
2015	1,349,364	1,349,364	-	9,590,362	14.07%
2014	1,137,154	1,137,154	-	9,752,607	11.66%
2013	1,271,202	1,271,202	-	10,902,247	11.66%
2012	640,889	640,889	-	10,124,629	6.33%
2011	404,330	404,330	-	10,288,295	8.81%

Notes to Required Supplementary Information
VRS Pension Plans
For the Year Ended June 30, 2020

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

Changes of assumptions – The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

All Others (Non 10 Largest) – Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Component Unit School Board - Professional Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

Schedule of County's and School Board's Share of Net OPEB Liability
VRS Cost-Sharing OPEB Plans
For the Measurement Dates of June 30, 2017 through June 30, 2019

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Group Life Insurance (GLI) Plan					
Primary Government					
2019	0.03045% \$	495,503 \$	5,969,368	8.30%	52.00%
2018	0.02813%	427,000	5,348,681	7.98%	51.22%
2017	0.02605%	393,000	4,804,488	8.18%	48.86%
Component Unit School Board (nonprofessional)					
2019	0.00549% \$	89,337 \$	1,076,646	8.30%	52.00%
2018	0.00591%	90,000	1,123,835	8.01%	51.22%
2017	0.00617%	93,000	1,138,466	8.17%	48.86%
Component Unit School Board (professional)					
2019	0.04594% \$	747,567 \$	9,006,358	8.30%	52.00%
2018	0.04896%	743,000	9,309,849	7.98%	51.22%
2017	0.05247%	790,000	9,677,754	8.16%	48.86%
Teacher Employee Health Insurance Credit (HIC) Plan					
Component Unit School Board (professional)					
2019	0.10730% \$	1,404,662 \$	8,999,734	15.61%	8.97%
2018	0.11491%	1,459,000	9,293,614	15.70%	8.08%
2017	0.12248%	1,553,000	9,665,747	16.07%	7.04%

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

Schedule of Changes in the School Board's Net OPEB Liability and Related Ratios
 Health Insurance Credit (HIC) Plan
 For the Measurement Dates of June 30, 2017 through June 30, 2019

	2019	2018	2017
Total HIC OPEB Liability			
Service cost	\$ 1,807	\$ 1,944	\$ 2,026
Interest	7,787	7,897	7,906
Differences between expected and actual experience	(13,749)	(4,184)	-
Changes of assumptions	2,202	-	(3,475)
Benefit payments	(6,891)	(7,579)	(5,609)
Net change in total HIC OPEB liability	\$ (8,844)	\$ (1,922)	\$ 848
Total HIC OPEB Liability - beginning	114,686	116,608	115,760
Total HIC OPEB Liability - ending (a)	\$ 105,842	\$ 114,686	\$ 116,608
Plan fiduciary net position			
Contributions - employer	\$ 5,782	\$ 6,354	\$ 6,445
Net investment income	3,195	3,403	4,960
Benefit payments	(6,891)	(7,579)	(5,609)
Administrator charges	(69)	(79)	(80)
Other	(3)	(247)	247
Net change in plan fiduciary net position	\$ 2,014	\$ 1,852	\$ 5,963
Plan fiduciary net position - beginning	50,294	48,442	42,479
Plan fiduciary net position - ending (b)	\$ 52,308	\$ 50,294	\$ 48,442
School Board's net HIC OPEB liability - ending (a) - (b)	\$ 53,534	\$ 64,392	\$ 68,166
Plan fiduciary net position as a percentage of the total HIC OPEB liability	49.42%	43.85%	41.54%
Covered payroll	\$ 1,070,702	\$ 1,114,681	\$ 1,130,833
School Board's net HIC OPEB liability as a percentage of covered payroll	5.00%	5.78%	6.03%

Schedule is intended to show information for 10 years. Information prior to the 2018 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions

VRS OPEB Plan - Group Life Insurance (GLI) Plan

For the Years Ended June 30, 2011 through June 30, 2020

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2020	\$ 32,258	\$ 32,258	\$ -	\$ 6,203,514	0.52%
2019	31,041	31,041	-	5,969,368	0.52%
2018	27,813	27,813	-	5,348,681	0.52%
2017	24,983	24,983	-	4,804,488	0.52%
2016	21,720	21,720	-	4,525,045	0.48%
2015	20,477	20,477	-	4,266,100	0.48%
2014	20,346	20,346	-	4,238,853	0.48%
2013	19,810	19,810	-	4,127,150	0.48%
2012	11,987	11,987	-	4,280,915	0.28%
2011	12,129	12,129	-	4,331,879	0.28%
Component Unit School Board (nonprofessional)					
2020	\$ 6,083	\$ 6,083	\$ -	\$ 1,169,886	0.52%
2019	5,599	5,599	-	1,076,646	0.52%
2018	5,844	5,844	-	1,123,835	0.52%
2017	5,920	5,920	-	1,138,466	0.52%
2016	5,341	5,341	-	1,112,779	0.48%
2015	5,358	5,358	-	1,116,354	0.48%
2014	5,626	5,626	-	1,172,158	0.48%
2013	5,769	5,769	-	1,201,924	0.48%
2012	3,241	3,241	-	1,157,512	0.28%
2011	3,363	3,363	-	1,201,012	0.28%
Component Unit School Board (professional)					
2020	\$ 48,583	\$ 48,583	\$ -	\$ 9,342,928	0.52%
2019	46,833	46,833	-	9,006,358	0.52%
2018	48,411	48,411	-	9,309,849	0.52%
2017	50,324	50,324	-	9,677,754	0.52%
2016	45,560	45,560	-	9,491,607	0.48%
2015	44,828	44,828	-	9,339,184	0.48%
2014	46,815	46,815	-	9,753,088	0.48%
2013	49,647	49,647	-	10,343,034	0.48%
2012	28,646	28,646	-	10,230,896	0.28%
2011	28,910	28,910	-	10,325,185	0.28%

Schedule of Employer Contributions

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

For the Years Ended June 30, 2011 through June 30, 2020

		Contributions in Relation to Contractually Required Contribution		Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
Date		(1)	(2)	(3)	(4)	(5)
Component Unit School Board (nonprofessional)						
2020	\$	6,317	\$ 6,317	\$ -	\$ 1,169,886	0.54%
2019		5,782	5,782	-	1,070,702	0.54%
2018		6,354	6,354	-	1,114,681	0.57%
2017		6,446	6,446	-	1,130,833	0.57%
2016		5,898	5,898	-	1,112,779	0.53%
2015		5,917	5,917	-	1,116,354	0.53%
2014		7,150	7,150	-	1,172,158	0.61%
2013		7,301	7,301	-	1,196,912	0.61%
2012		7,623	7,623	-	1,154,974	0.66%
2011		7,927	7,927	-	1,201,012	0.66%
Component Unit School Board (professional)						
2020	\$	112,059	\$ 112,059	\$ -	\$ 9,338,277	1.20%
2019		107,997	107,997	-	8,999,734	1.20%
2018		114,311	114,311	-	9,293,614	1.23%
2017		107,290	107,290	-	9,665,747	1.11%
2016		100,611	100,611	-	9,491,607	1.06%
2015		98,995	98,995	-	9,339,184	1.06%
2014		108,259	108,259	-	9,753,088	1.11%
2013		113,366	113,366	-	10,213,129	1.11%
2012		60,748	60,748	-	10,124,628	0.60%
2011		61,730	61,730	-	10,288,306	0.60%

Notes to Required Supplementary Information
VRS OPEB Plan - Group Life Insurance (GLI) Plan
For the Year Ended June 30, 2020

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

Changes of assumptions – The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Teachers

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Non-Largest Ten Locality Employers - Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Notes to Required Supplementary Information

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

For the Year Ended June 30, 2020

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

Changes of assumptions – The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Component Unit School Board - Professional Employees (Teacher HIC)

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

Schedule of Changes in Total OPEB Liability and Related Ratios
 Health Insurance OPEB Plans - Primary Government and Component Unit School Board
 For the Years Ended June 30, 2018 through June 30, 2020

Primary Government			
	2020	2019	2018
Total OPEB liability			
Service cost	\$ 40,288	\$ 31,107	\$ 32,003
Interest	21,895	21,952	19,465
Changes of assumptions	129,736	21,038	(20,338)
Differences between expected and actual experience	20,396	-	-
Benefit payments	(30,666)	(19,301)	(18,974)
Net change in total OPEB liability	\$ 181,649	\$ 54,796	\$ 12,156
Total OPEB liability - beginning	600,495	545,699	533,543
Total OPEB liability - ending	<u>\$ 782,144</u>	<u>\$ 600,495</u>	<u>\$ 545,699</u>
 Covered payroll	 \$ 7,034,863	 \$ 5,528,661	 \$ 5,528,661
 County's total OPEB liability (asset) as a percentage of covered payroll	 11.12%	 10.86%	 9.87%
Component Unit School Board (nonprofessional)			
	2020	2019	2018
Total OPEB liability			
Service cost	\$ 34,988	\$ 37,034	\$ 37,648
Interest	19,745	20,594	18,131
Changes of assumptions	105,030	12,030	(11,594)
Differences between expected and actual experience	(14,391)	-	-
Benefit payments	(37,820)	(33,432)	(25,545)
Net change in total OPEB liability	\$ 107,552	\$ 36,226	\$ 18,640
Total OPEB liability - beginning	547,892	511,666	493,026
Total OPEB liability - ending	<u>\$ 655,444</u>	<u>\$ 547,892</u>	<u>\$ 511,666</u>
 Covered payroll	 \$ 8,916,071	 \$ 9,884,512	 \$ 9,884,512
 School Board's total OPEB liability (asset) as a percentage of covered payroll	 7.35%	 5.54%	 5.18%

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

Notes to Required Supplementary Information
 Health Insurance OPEB Plans - Primary Government and Component Unit School Board
 For the Year Ended June 30, 2020

Valuation Date: 7/1/2019
 Measurement Date: 6/30/2020

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.50% as of June 30, 2019; 2.21% as of June 30, 2020
Inflation	2.50% per year as of June 30, 2019; 2.50% per year as of June 30, 2020
Healthcare Trend Rate (County)	The healthcare trend rate assumption starts at 10.30% in 2019 and gradually declines to 4.00% by the year 2074
Healthcare Trend Rate (School Board)	The healthcare trend rate assumption starts at 2.80% in 2019, increases to 5.20% in 2021 and gradually declines to 4.00% by the year 2074
Salary Increase Rates (County)	The salary increase rate starts at 5.35% salary increase for 1 year of service and gradually declines to 3.50% salary increase for 20 or more years of service
Salary Increase Rates (School Board)	The salary increase rate starts at 5.35% salary increase for 1 year of service and gradually declines to 3.50% salary increase for 20 or more years of service for nonprofessional employees. For professional employees, the salary increase rate starts at 5.95% salary increase for 1 year of service and gradually declines to 3.50% salary increase for 20 or more years of service.
Retirement Age	The average age at retirement is 62
Mortality Rates	The mortality rates for active and healthy retirees were calculated using the RP-2014 Employee Rates projected with Scale BB to 2020. The mortality rates for disabled retirees were calculated using the RP-2014 Disabled Mortality Rates projected with Scale BB to 2020.

Other Supplementary Information

Combining and Individual Fund Financial Statements and Schedules

Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2020

	School Debt Service Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 3,500	\$ 3,500	\$ 26,344	\$ 22,844
Intergovernmental:				
Federal	60,538	60,538	30,594	(29,944)
Total revenues	\$ 64,038	\$ 64,038	\$ 56,938	\$ (7,100)
EXPENDITURES				
Debt service:				
Principal retirement	\$ 552,960	\$ 552,960	\$ 474,622	\$ 78,338
Interest and other fiscal charges	199,754	199,754	199,753	1
Total expenditures	\$ 752,714	\$ 752,714	\$ 674,375	\$ 78,339
Excess (deficiency) of revenues over (under) expenditures	\$ (688,676)	\$ (688,676)	\$ (617,437)	\$ 71,239
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 641,867	\$ 641,867	\$ 692,175	\$ 50,308
Total other financing sources (uses)	\$ 641,867	\$ 641,867	\$ 692,175	\$ 50,308
Net change in fund balances	\$ (46,809)	\$ (46,809)	\$ 74,738	\$ 121,547
Fund balances - beginning	-	-	878,909	878,909
Fund balances - ending	\$ (46,809)	\$ (46,809)	\$ 953,647	\$ 1,000,456

Capital Projects Fund

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

For the Year Ended June 30, 2020

County Capital Improvements Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 6,669	\$ 6,669
Intergovernmental:				
Commonwealth	-	730,000	366,828	(363,172)
Federal	183,163	419,826	423,423	3,597
Total revenues	\$ 183,163	\$ 1,149,826	\$ 796,920	\$ (352,906)
EXPENDITURES				
Capital projects	\$ 183,163	\$ 2,196,687	\$ 1,490,343	\$ 706,344
Total expenditures	\$ 183,163	\$ 2,196,687	\$ 1,490,343	\$ 706,344
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (1,046,861)	\$ (693,423)	\$ 353,438
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 1,046,861	\$ 739,325	\$ (307,536)
Total other financing sources (uses)	\$ -	\$ 1,046,861	\$ 739,325	\$ (307,536)
Net change in fund balances	\$ -	\$ -	\$ 45,902	\$ 45,902
Fund balances - beginning	-	-	495,701	495,701
Fund balances - ending	\$ -	\$ -	\$ 541,603	\$ 541,603

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2020

	Airport Commission Fund	CSA Fund	Total
ASSETS			
Cash and cash equivalents	\$ 3,059	\$ 25,598	\$ 28,657
Due from other governmental units	-	98,149	98,149
Inventories	3,376	-	3,376
Total assets	<u>\$ 6,435</u>	<u>\$ 123,747</u>	<u>\$ 130,182</u>
LIABILITIES			
Accounts payable	\$ 3,697	\$ 63,092	\$ 66,789
Due to other funds	-	60,655	60,655
Total liabilities	<u>\$ 3,697</u>	<u>\$ 123,747</u>	<u>\$ 127,444</u>
FUND BALANCES			
Nonspendable:			
Inventories	\$ 3,376	\$ -	\$ 3,376
Unassigned (deficit):			
Airport	(638)	-	(638)
Total fund balances	<u>\$ 2,738</u>	<u>\$ -</u>	<u>\$ 2,738</u>
Total liabilities and fund balances	<u>\$ 6,435</u>	<u>\$ 123,747</u>	<u>\$ 130,182</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2020

	Airport Commission Fund	CSA Fund	Total
REVENUES			
Revenue from the use of money and property	\$ 4,450	\$ -	\$ 4,450
Intergovernmental:			
Commonwealth	6,071	501,478	507,549
Federal	-	19,286	19,286
Total revenues	<u>\$ 10,521</u>	<u>\$ 520,764</u>	<u>\$ 531,285</u>
EXPENDITURES			
Current:			
Public works	\$ 33,444	\$ -	\$ 33,444
Health and welfare	-	739,139	739,139
Total expenditures	<u>\$ 33,444</u>	<u>\$ 739,139</u>	<u>\$ 772,583</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (22,923)</u>	<u>\$ (218,375)</u>	<u>\$ (241,298)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 22,923	\$ 218,375	\$ 241,298
Total other financing sources (uses)	<u>\$ 22,923</u>	<u>\$ 218,375</u>	<u>\$ 241,298</u>
Net change in fund balances	\$ -	\$ -	\$ -
Fund balances - beginning	2,738	-	2,738
Fund balances - ending	<u><u>\$ 2,738</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,738</u></u>

COUNTY OF BRUNSWICK, VIRGINIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2020

	Airport Commission Fund				
	Budgeted Amounts				Variance with Final Budget Positive (Negative)
REVENUES	Original	Final	Actual		
Revenue from the use of money and property	\$ 2,500	\$ 2,500	\$ 4,450	\$	1,950
Charges for services	1,000	1,000	-		(1,000)
Miscellaneous	-	-	-		-
Intergovernmental:					
Commonwealth	5,000	5,000	6,071		1,071
Federal	-	-	-		-
Total revenues	\$ 8,500	\$ 8,500	\$ 10,521	\$	2,021
EXPENDITURES					
Current:					
Public works	\$ 32,569	\$ 32,569	\$ 33,444	\$	(875)
Health and welfare	-	-	-		-
Total expenditures	\$ 32,569	\$ 32,569	\$ 33,444	\$	(875)
Excess (deficiency) of revenues over (under) expenditures	\$ (24,069)	\$ (24,069)	\$ (22,923)	\$	1,146
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 24,069	\$ 24,069	\$ 22,923	\$	(1,146)
Total other financing sources (uses)	\$ 24,069	\$ 24,069	\$ 22,923	\$	(1,146)
Net change in fund balances	\$ -	\$ -	\$ -	\$	-
Fund balances - beginning	-	-	2,738		2,738
Fund balances - ending	\$ -	\$ -	\$ 2,738	\$	2,738

Exhibit 27

CSA Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
300	300	-	(300)
621,150	621,150	501,478	(119,672)
13,500	13,500	19,286	5,786
\$ 634,950	\$ 634,950	\$ 520,764	\$ (114,186)
\$ -	\$ -	\$ -	\$ -
1,045,000	1,045,000	739,139	305,861
\$ 1,045,000	\$ 1,045,000	\$ 739,139	\$ 305,861
\$ (410,050)	\$ (410,050)	\$ (218,375)	\$ 191,675
\$ 410,050	\$ 410,050	\$ 218,375	\$ (191,675)
\$ 410,050	\$ 410,050	\$ 218,375	\$ (191,675)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
\$ -	\$ -	\$ -	\$ -

Combining Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2020

	Agency Funds			
	Special Welfare Fund	Sheriff Funds	Bond Escrow Fund	Total
ASSETS				
Cash and cash equivalents	\$ 495	\$ 9,539	\$ 22,755	\$ 32,789
Total assets	<u>\$ 495</u>	<u>\$ 9,539</u>	<u>\$ 22,755</u>	<u>\$ 32,789</u>
LIABILITIES				
Amounts held for social services clients	\$ 495	\$ -	\$ -	\$ 495
Amounts held for others	-	9,539	-	9,539
Escrow deposits payable	-	-	22,755	22,755
Total liabilities	<u>\$ 495</u>	<u>\$ 9,539</u>	<u>\$ 22,755</u>	<u>\$ 32,789</u>

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 For the Year Ended June 30, 2020

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
SPECIAL WELFARE FUND:				
Assets				
Cash and cash equivalents	\$ 2,054	\$ 18,250	\$ 19,809	\$ 495
Liabilities				
Amounts held for social services clients	\$ 2,054	\$ 18,250	\$ 19,809	\$ 495
SHERIFF FUNDS:				
Assets				
Cash and cash equivalents	\$ 6,554	\$ 15,851	\$ 12,866	\$ 9,539
Liabilities				
Amounts held for others	\$ 6,554	\$ 15,851	\$ 12,866	\$ 9,539
BOND ESCROW FUND:				
Assets				
Cash and cash equivalents	\$ 22,755	\$ -	\$ -	\$ 22,755
Liabilities				
Escrow deposits payable	\$ 22,755	\$ -	\$ -	\$ 22,755
TOTALS - ALL AGENCY FUNDS:				
Assets				
Cash and cash equivalents	\$ 31,363	\$ 34,101	\$ 32,675	\$ 32,789
Total assets	\$ 31,363	\$ 34,101	\$ 32,675	\$ 32,789
Liabilities				
Amounts held for social services clients	\$ 2,054	\$ 18,250	\$ 19,809	\$ 495
Amounts held for others	6,554	15,851	12,866	9,539
Escrow deposits payable	22,755	-	-	22,755
Total liabilities	\$ 31,363	\$ 34,101	\$ 32,675	\$ 32,789

Combining Balance Sheet
Discretely Presented Component Unit - School Board
June 30, 2020

	School Operating Fund	School Cafeteria Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 392,426	\$ 487,641	\$ 880,067
Receivables (net of allowance for uncollectibles):			
Accounts receivable	7,103	373	7,476
Due from other governmental units	528,936	27,235	556,171
Total assets	<u>\$ 928,465</u>	<u>\$ 515,249</u>	<u>\$ 1,443,714</u>
LIABILITIES			
Accounts payable	\$ 16,711	\$ 2,470	\$ 19,181
Accrued liabilities	911,254	30,751	942,005
Total liabilities	<u>\$ 927,965</u>	<u>\$ 33,221</u>	<u>\$ 961,186</u>
FUND BALANCES			
Committed:			
Cafeteria operations	\$ -	\$ 482,028	\$ 482,028
Unassigned:			
School operations	500	-	500
Total fund balances	<u>\$ 500</u>	<u>\$ 482,028</u>	<u>\$ 482,528</u>
Total liabilities and fund balances	<u>\$ 928,465</u>	<u>\$ 515,249</u>	<u>\$ 1,443,714</u>
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:			
Total fund balances per above		\$	482,528
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Land	\$	25,822	
Buildings and improvements		6,986,220	
Machinery, equipment, and vehicles		<u>619,856</u>	7,631,898
The net pension asset is not available to pay for current-period expenditures. and, therefore, is not reported in the funds.			
			367,682
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.			
Pension related items	\$	2,946,163	
OPEB related items		<u>409,529</u>	3,355,692
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.			
Capital lease	\$	(159,008)	
Compensated absences		(84,295)	
Net pension liability		(14,159,456)	
Net OPEB liabilities		(2,950,544)	
Accrued interest payable		<u>(2,566)</u>	(17,355,869)
Deferred inflows of resources are not due and payable in the current period and, expenditures and, therefore, are not reported in the funds.			
Pension related items	\$	(3,018,511)	
OPEB related items		<u>(366,373)</u>	(3,384,884)
Net position (deficit) of governmental activities		\$	<u>(8,902,953)</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, 2020

	School Operating Fund	School Cafeteria Fund	Total Governmental Funds
REVENUES			
Revenue from the use of money and property	\$ 1,833	\$ -	\$ 1,833
Charges for services	2,729	109,875	112,604
Miscellaneous	297,675	18,760	316,435
Recovered costs	120	-	120
Intergovernmental:			
Local government	5,860,546	-	5,860,546
Commonwealth	13,001,750	29,596	13,031,346
Federal	2,114,470	905,342	3,019,812
Total revenues	\$ 21,279,123	\$ 1,063,573	\$ 22,342,696
EXPENDITURES			
Current:			
Education	\$ 20,191,437	\$ 1,204,469	\$ 21,395,906
Capital projects	1,006,071	-	1,006,071
Debt service:			
Principal retirement	77,464	-	77,464
Interest and other fiscal charges	4,151	-	4,151
Total expenditures	\$ 21,279,123	\$ 1,204,469	\$ 22,483,592
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (140,896)	\$ (140,896)
Net change in fund balances	\$ -	\$ (140,896)	\$ (140,896)
Fund balances - beginning	500	622,924	623,424
Fund balances - ending	\$ 500	\$ 482,028	\$ 482,528
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		\$	(140,896)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation exceeded capital outlays in the current period.			
Capital asset additions		\$ 65,291	
Depreciation		(445,567)	
Adjustment for jointly owned assets		474,622	
Depreciation adjustment for jointly owned assets		(314,284)	(219,938)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.			
Capital asset disposals		\$ (1,295,078)	
Depreciation adjustment for disposals		1,295,078	-
The issuance of leases provides current financial resources to governmental funds, while the repayment of the principal consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This is the net effect of these differences in the treatment of long-term debt and related items.			
Payment of principal		\$ 77,464	77,464
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		\$ 396,051	
Change in pension related items		727,037	
Change in OPEB related items		53,084	
Accrued interest payable		1,249	1,177,421
Change in net position of governmental activities		\$	894,051

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, 2020

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual	
REVENUES				
Revenue from the use of money and property	\$ 1,000	\$ 1,000	\$ 1,833	\$ 833
Charges for services	-	-	2,729	2,729
Miscellaneous	105,000	116,214	297,675	181,461
Recovered costs	-	-	120	120
Intergovernmental:				
Local government	6,712,828	6,712,828	5,860,546	(852,282)
Commonwealth	13,027,697	13,210,516	13,001,750	(208,766)
Federal	1,716,046	2,976,789	2,114,470	(862,319)
Total revenues	\$ 21,562,571	\$ 23,017,347	\$ 21,279,123	\$ (1,738,224)
EXPENDITURES				
Current:				
Education	\$ 20,383,475	\$ 21,812,385	\$ 20,191,437	\$ 1,620,948
Capital projects	1,097,481	1,123,347	1,006,071	117,276
Debt service:				
Principal retirement	81,615	81,615	77,464	4,151
Interest and other fiscal charges	-	-	4,151	(4,151)
Total expenditures	\$ 21,562,571	\$ 23,017,347	\$ 21,279,123	\$ 1,738,224
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	500	500
Fund balances - ending	\$ -	\$ -	\$ 500	\$ 500

Exhibit 32

School Cafeteria Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ -	\$ -
175,500	175,500	109,875	(65,625)
12,000	12,000	18,760	6,760
-	-	-	-
-	-	-	-
150,000	163,600	29,596	(134,004)
1,010,000	1,010,000	905,342	(104,658)
<u>\$ 1,347,500</u>	<u>\$ 1,361,100</u>	<u>\$ 1,063,573</u>	<u>\$ (297,527)</u>
\$ 1,347,500	\$ 1,361,100	\$ 1,204,469	\$ 156,631
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 1,347,500</u>	<u>\$ 1,361,100</u>	<u>\$ 1,204,469</u>	<u>\$ 156,631</u>
\$ -	\$ -	\$ (140,896)	\$ (140,896)
\$ -	\$ -	\$ (140,896)	\$ (140,896)
-	-	622,924	622,924
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 482,028</u>	<u>\$ 482,028</u>

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Supporting Schedules

Schedule of Revenues - Budget and Actual

Governmental Funds and Discretely Presented Component Unit School Board

For the Year Ended June 30, 2020

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 6,765,000	\$ 6,765,000	\$ 6,933,363	\$ 168,363
Real and personal public service corporation taxes	5,300,000	5,300,000	5,431,617	131,617
Personal property taxes	2,479,000	2,479,000	2,954,903	475,903
Mobile home taxes	38,500	38,500	35,818	(2,682)
Machinery and tools taxes	500,000	500,000	610,417	110,417
Merchants capital taxes	-	-	9,110	9,110
Penalties	95,000	95,000	153,211	58,211
Interest	50,000	50,000	89,666	39,666
Total general property taxes	\$ 15,227,500	\$ 15,227,500	\$ 16,218,105	\$ 990,605
Other local taxes:				
Local sales and use taxes	\$ 616,428	\$ 616,428	\$ 941,604	\$ 325,176
Consumers' utility taxes	255,000	255,000	255,475	475
Bank stock taxes	15,000	15,000	17,510	2,510
Franchise license taxes	30,000	30,000	14,957	(15,043)
Motor vehicle licenses	335,000	335,000	362,633	27,633
Taxes on recordation and wills	55,000	55,000	99,656	44,656
Utility consumption taxes	45,000	45,000	43,296	(1,704)
Hotel and motel room taxes	15,000	15,000	3,681	(11,319)
Total other local taxes	\$ 1,366,428	\$ 1,366,428	\$ 1,738,812	\$ 372,384
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 24,000	\$ 24,000	\$ 14,452	\$ (9,548)
Zoning application fees	6,000	6,000	5,485	(515)
Transfer fees	600	600	648	48
Permits and other licenses	40,000	40,000	34,556	(5,444)
Total permits, privilege fees, and regulatory licenses	\$ 70,600	\$ 70,600	\$ 55,141	\$ (15,459)
Fines and forfeitures:				
Court fines and forfeitures	\$ 1,375,475	\$ 1,450,475	\$ 1,442,121	\$ (8,354)
Interest on court fines and forfeitures	-	-	6,063	6,063
Total fines and forfeitures	\$ 1,375,475	\$ 1,450,475	\$ 1,448,184	\$ (2,291)
Revenue from use of money and property:				
Revenue from use of money	\$ 23,300	\$ 23,300	\$ 115,378	\$ 92,078
Revenue from use of property	22,600	22,600	25,702	3,102
Total revenue from use of money and property	\$ 45,900	\$ 45,900	\$ 141,080	\$ 95,180
Charges for services:				
Charges for law enforcement and traffic control	\$ 1,000	\$ 1,000	\$ 990	\$ (10)
Charges for courthouse maintenance	29,000	41,193	37,209	(3,984)
Charges for court costs	185,000	185,000	199,253	14,253
Charges for court costs - electronic summons fee	73,200	73,200	81,295	8,095
Law library fees	2,000	2,000	1,562	(438)
Charges for Commonwealth's Attorney	2,500	2,500	3,259	759

Schedule of Revenues - Budget and Actual

Governmental Funds and Discretely Presented Component Unit School Board

For the Year Ended June 30, 2020 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Charges for services: (Continued)				
Miscellaneous jail and inmate fees	\$ 6,000	\$ 6,000	\$ 4,202	\$ (1,798)
Animal shelter fees	250	250	50	(200)
Charges for sanitation and waste removal	115,000	115,000	100,321	(14,679)
Charges for landfill host fees	200,000	200,000	464,611	264,611
Charges for planning and community development	2,000	2,000	1,170	(830)
Charges for emergency transport	185,000	185,000	141,709	(43,291)
Total charges for services	<u>\$ 800,950</u>	<u>\$ 813,143</u>	<u>\$ 1,035,631</u>	<u>\$ 222,488</u>
Miscellaneous:				
Miscellaneous	\$ 30,000	\$ 31,500	\$ 80,247	\$ 48,747
Greensville Memorial Foundation Grant	98,329	98,329	98,329	-
Total miscellaneous	<u>\$ 128,329</u>	<u>\$ 129,829</u>	<u>\$ 178,576</u>	<u>\$ 48,747</u>
Recovered costs:				
Landfill inspection fees	\$ 140,000	\$ 140,000	\$ 152,432	\$ 12,432
Tax bills - Lawrenceville	2,000	2,000	12,961	10,961
School resource officer	96,345	96,345	-	(96,345)
Clerk of Circuit Court copy cost reimbursement	2,000	2,000	1,903	(97)
Sheriff contracted security	50,000	50,000	51,475	1,475
Insurance recovery	-	-	79,759	79,759
Industrial Development Authority	-	-	12,036	12,036
Total recovered costs	<u>\$ 290,345</u>	<u>\$ 290,345</u>	<u>\$ 310,566</u>	<u>\$ 20,221</u>
Total revenue from local sources	<u>\$ 19,305,527</u>	<u>\$ 19,394,220</u>	<u>\$ 21,126,095</u>	<u>\$ 1,731,875</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Grantor's tax	\$ 20,000	\$ 20,000	\$ 29,263	\$ 9,263
Mobile home titling tax	30,000	30,000	27,359	(2,641)
Rolling stock tax	5,000	5,000	4,360	(640)
Motor vehicle rental tax	-	-	781	781
Motor vehicle carrier's tax	-	-	864	864
State recordation tax	25,000	25,000	19,650	(5,350)
Personal property tax relief funds	1,355,735	1,355,735	1,355,736	1
Communication taxes	425,000	425,000	347,048	(77,952)
Moped and ATV taxes	-	-	40,005	40,005
Total noncategorical aid	<u>\$ 1,860,735</u>	<u>\$ 1,860,735</u>	<u>\$ 1,825,066</u>	<u>\$ (35,669)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 355,000	\$ 355,000	\$ 358,594	\$ 3,594
Sheriff	1,040,000	1,040,000	1,060,045	20,045
Commissioner of revenue	90,000	90,000	91,867	1,867
Treasurer	81,500	81,500	89,302	7,802
Registrar/electoral board	36,000	36,000	52,190	16,190
Clerk of the Circuit Court	210,000	221,600	231,876	10,276
Total shared expenses	<u>\$ 1,812,500</u>	<u>\$ 1,824,100</u>	<u>\$ 1,883,874</u>	<u>\$ 59,774</u>

Schedule of Revenues - Budget and Actual

Governmental Funds and Discretely Presented Component Unit School Board

For the Year Ended June 30, 2020 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid:				
Emergency medical services - four for life	\$ 19,500	\$ 19,500	\$ -	\$ (19,500)
Fire program funds	44,000	44,000	56,089	12,089
Litter control grant	7,049	7,049	5,562	(1,487)
911 services board grant	245,999	245,999	151,118	(94,881)
Rescue squad assistance grant	130,247	130,247	-	(130,247)
Victim witness grant	112,263	112,263	27,815	(84,448)
PSAP - Phase II - Wireless	100,000	100,000	69,219	(30,781)
DMV license agent commission	20,000	24,462	30,985	6,523
Drug forfeiture funds	50,000	50,000	618	(49,382)
Arts Grant	4,500	4,500	4,500	-
Pesticide grant	1,875	1,875	1,854	(21)
Other grants	-	92,500	-	(92,500)
Total other categorical aid	\$ 735,433	\$ 832,395	\$ 347,760	\$ (484,635)
Total categorical aid	\$ 2,547,933	\$ 2,656,495	\$ 2,231,634	\$ (424,861)
Total revenue from the Commonwealth	\$ 4,408,668	\$ 4,517,230	\$ 4,056,700	\$ (460,530)
Revenue from the federal government:				
Categorical aid:				
Byrne grant	\$ -	\$ 1,487	\$ 1,487	\$ -
Bulletproof vest grant	-	12,989	12,989	-
DOJ SCAAP grant	-	-	3,077	3,077
Emergency management grants	-	-	7,463	7,463
Cost allocation plan	40,000	40,000	66,057	26,057
Victim witness grant	-	-	83,445	83,445
DCJS - Audio-Video equipment grant	-	-	85,000	85,000
CARES Act funding	-	141,899	142,290	391
HHS CARES Act funding	-	7,563	7,562	(1)
Total categorical aid	\$ 40,000	\$ 203,938	\$ 409,370	\$ 205,432
Total revenue from the federal government	\$ 40,000	\$ 203,938	\$ 409,370	\$ 205,432
Total General Fund	\$ 23,754,195	\$ 24,115,388	\$ 25,592,165	\$ 1,476,777
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Revenue from local sources:				
Miscellaneous:				
Expenditure refunds	\$ -	\$ -	\$ 3,549	\$ 3,549
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ 536,039	\$ 536,039	\$ 657,632	\$ 121,593

Schedule of Revenues - Budget and Actual

Governmental Funds and Discretely Presented Component Unit School Board

For the Year Ended June 30, 2020 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	variance with Final Budget - Positive (Negative)
Special Revenue Funds: (Continued)				
Virginia Public Assistance Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 1,254,111	\$ 1,254,111	\$ 1,200,120	\$ (53,991)
Total Virginia Public Assistance Fund	<u>\$ 1,790,150</u>	<u>\$ 1,790,150</u>	<u>\$ 1,861,301</u>	<u>\$ 71,151</u>
Airport Commission Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 2,500	\$ 2,500	\$ 4,450	\$ 1,950
Charges for services:				
Sale of fuel	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Total revenue from local sources	<u>\$ 3,500</u>	<u>\$ 3,500</u>	<u>\$ 4,450</u>	<u>\$ 950</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Department of aviation grant	\$ 5,000	\$ 5,000	\$ 6,071	\$ 1,071
Total Airport Commission Fund	<u>\$ 8,500</u>	<u>\$ 8,500</u>	<u>\$ 10,521</u>	<u>\$ 2,021</u>
CSA Fund:				
Revenue from local sources:				
Miscellaneous:				
Expenditure refunds	\$ 300	\$ 300	\$ -	\$ (300)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Comprehensive Services Act	\$ 619,440	\$ 619,440	\$ 500,212	\$ (119,228)
PSSF grant	1,710	1,710	1,266	(444)
Total revenue from the Commonwealth	<u>\$ 621,150</u>	<u>\$ 621,150</u>	<u>\$ 501,478</u>	<u>\$ (119,672)</u>

Schedule of Revenues - Budget and Actual

Governmental Funds and Discretely Presented Component Unit School Board

For the Year Ended June 30, 2020 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Funds: (Continued)				
CSA Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
TANF/SSBG - TITLE IV-E	\$ -	\$ -	\$ 9,290	\$ 9,290
PSSF grant	13,500	13,500	9,996	(3,504)
Total revenue from the federal government	\$ 13,500	\$ 13,500	\$ 19,286	\$ 5,786
Total CSA Fund	\$ 634,950	\$ 634,950	\$ 520,764	\$ (114,186)
Debt Service Fund:				
School Debt Service Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 3,500	\$ 3,500	\$ 26,344	\$ 22,844
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
Federal interest subsidy	\$ 60,538	\$ 60,538	\$ 30,594	\$ (29,944)
Total School Debt Service Fund	\$ 64,038	\$ 64,038	\$ 56,938	\$ (7,100)
Capital Projects Funds:				
County Capital Improvements Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 6,669	\$ 6,669
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Tobacco grant	\$ -	\$ 730,000	\$ 366,828	\$ (363,172)
Revenue from the federal government:				
Categorical aid:				
Community Development Block Grants	\$ 183,163	\$ 419,826	\$ 423,423	\$ 3,597
Total County Capital Improvements Fund	\$ 183,163	\$ 1,149,826	\$ 796,920	\$ (352,906)
Total Primary Government	\$ 26,434,996	\$ 27,762,852	\$ 28,838,609	\$ 1,075,757

Schedule of Revenues - Budget and Actual

Governmental Funds and Discretely Presented Component Unit School Board

For the Year Ended June 30, 2020 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 1,000	\$ 1,000	\$ 1,833	\$ 833
Charges for services:				
Charges for education	\$ -	\$ -	\$ 2,729	\$ 2,729
Miscellaneous:				
E-Rate	\$ -	\$ -	\$ 209,603	\$ 209,603
Other miscellaneous	105,000	116,214	88,072	(28,142)
Total miscellaneous	\$ 105,000	\$ 116,214	\$ 297,675	\$ 181,461
Recovered costs:				
Other recovered costs	\$ -	\$ -	\$ 120	\$ 120
Total revenue from local sources	\$ 106,000	\$ 117,214	\$ 302,357	\$ 185,143
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Brunswick, Virginia	\$ 6,712,828	\$ 6,712,828	\$ 5,860,546	\$ (852,282)
Total revenues from local governments	\$ 6,712,828	\$ 6,712,828	\$ 5,860,546	\$ (852,282)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,350,214	\$ 2,350,214	\$ 2,389,245	\$ 39,031
Basic school aid	4,849,394	4,849,394	4,778,342	(71,052)
Remedial summer education	97,145	97,145	73,273	(23,872)
Regular foster care	14,275	14,275	9,858	(4,417)
Special education foster care	-	-	12,073	12,073
Adult secondary education	8,355	8,355	49,630	41,275
Gifted and talented	47,109	47,109	46,799	(310)
Remedial education	369,179	369,179	366,754	(2,425)
Special education	926,793	926,793	920,706	(6,087)
Special education jails	41,836	41,836	32,331	(9,505)
Textbook payment	96,804	96,804	96,168	(636)
Vocational standards of quality payments	233,621	233,621	232,087	(1,534)
Vocational education - equipment	-	-	3,945	3,945
Social security fringe benefits	340,337	340,337	338,102	(2,235)
Retirement fringe benefits	750,856	750,856	745,925	(4,931)
Group life fringe benefits	23,074	23,074	22,922	(152)
State lottery payments	353,258	353,258	349,572	(3,686)
Early reading intervention	36,725	36,725	38,886	2,161
Homebound education	1,699	1,699	13,030	11,331
Salary supplement	340,633	340,633	340,632	(1)
At risk payments	680,586	680,586	676,149	(4,437)
At risk payments - 4 year olds	196,248	196,248	147,186	(49,062)

Schedule of Revenues - Budget and Actual

Governmental Funds and Discretely Presented Component Unit School Board

For the Year Ended June 30, 2020 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
State disparity initiatives	\$ 407,543	\$ 407,543	\$ 392,414	\$ (15,129)
Alternative education	458,104	458,104	458,104	-
Technology	206,000	231,866	160,171	(71,695)
Standards of Learning algebra readiness	37,246	37,246	35,589	(1,657)
Mentor teacher program	1,857	1,857	211	(1,646)
English as a second language	24,349	24,349	18,697	(5,652)
Industry Certification	-	-	2,413	2,413
E-learning backpack initiative	-	124,400	124,400	-
Project Graduation	3,936	3,936	3,936	-
Math Reading Spec Initiative	88,288	88,288	88,288	-
Positive Behavioral Intervention and Support	42,233	69,536	26,679	(42,857)
CTE Equipment and Other Grants	-	-	3,683	3,683
Other state funds	-	5,250	3,550	(1,700)
Total categorical aid	<u>\$ 13,027,697</u>	<u>\$ 13,210,516</u>	<u>\$ 13,001,750</u>	<u>\$ (208,766)</u>
Total revenue from the Commonwealth	<u>\$ 13,027,697</u>	<u>\$ 13,210,516</u>	<u>\$ 13,001,750</u>	<u>\$ (208,766)</u>
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 782,751	\$ 858,561	\$ 771,356	\$ (87,205)
Title II, Part A	108,778	113,572	89,159	(24,413)
Title VI-B, special education flow-through	480,166	548,819	329,591	(219,228)
Vocational education	47,192	47,192	52,210	5,018
Title VI-B, special education pre-school	12,048	21,305	19,289	(2,016)
Rural and low income schools	31,610	64,376	12,081	(52,295)
Title IV - 21st century learning grant	-	23,354	-	(23,354)
Preschool Expansion Grant	-	21,403	21,403	-
Title III, Part A, english proficiency	-	-	3,968	3,968
JROTC	51,000	51,000	32,568	(18,432)
Student support and academic enrichment	55,315	66,315	17,032	(49,283)
School Improvement Grants	-	1,013,706	765,813	(247,893)
Other federal funds	147,186	147,186	-	(147,186)
Total categorical aid	<u>\$ 1,716,046</u>	<u>\$ 2,976,789</u>	<u>\$ 2,114,470</u>	<u>\$ (862,319)</u>
Total revenue from the federal government	<u>\$ 1,716,046</u>	<u>\$ 2,976,789</u>	<u>\$ 2,114,470</u>	<u>\$ (862,319)</u>
Total School Operating Fund	<u>\$ 21,562,571</u>	<u>\$ 23,017,347</u>	<u>\$ 21,279,123</u>	<u>\$ (1,738,224)</u>

Schedule of Revenues - Budget and Actual

Governmental Funds and Discretely Presented Component Unit School Board

For the Year Ended June 30, 2020 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
Special Revenue Fund:				
School Cafeteria Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	\$ 175,500	\$ 175,500	\$ 109,875	\$ (65,625)
Miscellaneous:				
Other miscellaneous	\$ 12,000	\$ 12,000	\$ 18,760	\$ 6,760
Total revenue from local sources	\$ 187,500	\$ 187,500	\$ 128,635	\$ (58,865)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 150,000	\$ 150,000	\$ 10,162	\$ (139,838)
School breakfast program	-	-	5,834	5,834
No kid hungry grant	-	13,600	13,600	-
Total categorical aid	\$ 150,000	\$ 163,600	\$ 29,596	\$ (134,004)
Total revenue from the Commonwealth	\$ 150,000	\$ 163,600	\$ 29,596	\$ (134,004)
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 900,000	\$ 900,000	\$ 814,675	\$ (85,325)
Fresh fruit and vegetables grant	-	-	40,992	40,992
Summer feeding program	45,000	45,000	-	(45,000)
Commodities	-	-	49,675	49,675
Equipment assistance grant	65,000	65,000	-	(65,000)
Total categorical aid	\$ 1,010,000	\$ 1,010,000	\$ 905,342	\$ (104,658)
Total revenue from the federal government	\$ 1,010,000	\$ 1,010,000	\$ 905,342	\$ (104,658)
Total School Cafeteria Fund	\$ 1,347,500	\$ 1,361,100	\$ 1,063,573	\$ (297,527)
Total Discretely Presented Component Unit - School Board	\$ 22,910,071	\$ 24,378,447	\$ 22,342,696	\$ (2,035,751)

Schedule of Expenditures - Budget and Actual

Governmental Funds and Discretely Presented Component Unit School Board
For the Year Ended June 30, 2020

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 218,615	\$ 690,677	\$ 685,587	\$ 5,090
General and financial administration:				
County administrator	\$ 356,679	\$ 358,890	358,189	\$ 701
Independent auditor	40,000	55,000	55,000	-
Commissioner of revenue	237,305	237,305	216,793	20,512
Treasurer	276,270	276,270	244,659	31,611
Finance department	259,831	248,314	243,168	5,146
Information Technology	88,556	148,385	148,384	1
DMV select	99,785	104,247	104,246	1
Total general and financial administration	\$ 1,358,426	\$ 1,428,411	\$ 1,370,439	\$ 57,972
Board of elections:				
Electoral board and officials	\$ 56,687	\$ 72,093	\$ 70,206	\$ 1,887
Registrar	127,117	122,877	125,935	(3,058)
Total board of elections	\$ 183,804	\$ 194,970	\$ 196,141	\$ (1,171)
Total general government administration	\$ 1,760,845	\$ 2,314,058	\$ 2,252,167	\$ 61,891
Judicial administration:				
Courts:				
Circuit court	\$ 35,980	\$ 28,480	\$ 29,555	\$ (1,075)
General district court	35,997	30,942	28,895	2,047
Special magistrates	950	950	707	243
Clerk of the circuit court	340,597	352,197	336,404	15,793
Law library	2,000	2,000	941	1,059
Victim/witness assistance program	137,269	137,269	135,400	1,869
Courthouse security	537,462	537,462	531,155	6,307
Total courts	\$ 1,090,255	\$ 1,089,300	\$ 1,063,057	\$ 26,243
Commonwealth's attorney:				
Commonwealth's attorney	\$ 645,165	\$ 667,835	\$ 660,405	\$ 7,430
Asset forfeiture	15,000	15,000	1,545	13,455
Total commonwealth's attorney	\$ 660,165	\$ 682,835	\$ 661,950	\$ 20,885
Total judicial administration	\$ 1,750,420	\$ 1,772,135	\$ 1,725,007	\$ 47,128
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 2,714,428	\$ 2,911,080	\$ 2,991,440	\$ (80,360)
Sheriff - line of duty	34,216	35,295	35,295	-
Asset forfeiture	35,000	35,000	11,000	24,000
E911 system	998,380	998,380	903,857	94,523
School resource officer	302,188	302,188	300,334	1,854
E-Summons System	197,510	197,510	195,784	1,726
Total law enforcement and traffic control	\$ 4,281,722	\$ 4,479,453	\$ 4,437,710	\$ 41,743
Fire and rescue services:				
Fire and rescue	\$ 762,395	\$ 775,552	\$ 753,209	\$ 22,343
Medflight program	500	500	500	-
Division of forestry	22,603	22,603	21,915	688
Total fire and rescue services	\$ 785,498	\$ 798,655	\$ 775,624	\$ 23,031

Schedule of Expenditures - Budget and Actual

Governmental Funds and Discretely Presented Component Unit School Board

For the Year Ended June 30, 2020 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public safety: (Continued)				
Correction and detention:				
Meherrin River Regional Jail Authority	\$ 2,988,972	\$ 2,988,972	\$ 2,993,064	\$ (4,092)
VJCCCA	635	635	635	-
Probation office	151,410	51,410	51,185	225
Total correction and detention	\$ 3,141,017	\$ 3,041,017	\$ 3,044,884	\$ (3,867)
Inspections:				
Building	\$ 146,402	\$ 146,402	\$ 142,891	\$ 3,511
Total inspections	\$ 146,402	\$ 146,402	\$ 142,891	\$ 3,511
Other protection:				
Animal control	\$ 154,656	\$ 155,313	\$ 146,023	\$ 9,290
Medical examiner	270	270	80	190
Fire and rescue services	928,074	915,313	912,707	2,606
Emergency services	111,070	118,570	116,058	2,512
Total other protection	\$ 1,194,070	\$ 1,189,466	\$ 1,174,868	\$ 14,598
Total public safety	\$ 9,548,709	\$ 9,654,993	\$ 9,575,977	\$ 79,016
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Highways, streets, bridges and sidewalks	\$ 25,000	\$ 75,000	\$ -	\$ 75,000
Sanitation and waste removal:				
Refuse collection and disposal	\$ 961,130	\$ 982,617	\$ 978,390	\$ 4,227
Litter control	7,049	7,049	5,470	1,579
Inmate work force program	120,463	127,788	127,787	1
Lake Gaston weed control	90,000	90,000	90,000	-
Total sanitation and waste removal	\$ 1,178,642	\$ 1,207,454	\$ 1,201,647	\$ 5,807
Maintenance of general buildings and grounds:				
General properties	\$ 457,263	\$ 637,982	\$ 637,982	\$ -
Courthouse maintenance	29,000	69,193	69,193	-
General engineering/administration	303,736	329,251	328,113	1,138
Total maintenance of general buildings and grounds	\$ 789,999	\$ 1,036,426	\$ 1,035,288	\$ 1,138
Total public works	\$ 1,993,641	\$ 2,318,880	\$ 2,236,935	\$ 81,945
Health and welfare:				
Health:				
Supplement of local health department	\$ 104,978	\$ 104,978	\$ 104,978	\$ -
VCU Health - CMH	10,000	10,000	10,000	-
Total health	\$ 114,978	\$ 114,978	\$ 114,978	\$ -
Mental health and mental retardation:				
Southside Community Services Board	\$ 70,450	\$ 70,450	\$ 70,450	\$ -
Welfare:				
Local area on aging	\$ 2,500	\$ 2,500	\$ 2,500	\$ -
Veteran's exemption on real estate	-	-	24,455	(24,455)
Southside senior citizens center	3,848	3,848	3,848	-
Total welfare	\$ 6,348	\$ 6,348	\$ 30,803	\$ (24,455)
Total health and welfare	\$ 191,776	\$ 191,776	\$ 216,231	\$ (24,455)

Schedule of Expenditures - Budget and Actual

Governmental Funds and Discretely Presented Component Unit School Board

For the Year Ended June 30, 2020 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Education:				
Other instructional costs:				
Contributions to Southside Virginia Community College	\$ 9,047	\$ 9,047	\$ 9,047	\$ -
Contribution to County School Board	6,712,828	6,712,828	5,860,546	852,282
Head Start program	61,240	61,240	61,240	-
Total education	\$ 6,783,115	\$ 6,783,115	\$ 5,930,833	\$ 852,282
Parks, recreation, and cultural:				
Parks and recreation:				
Recreation youth league	\$ 12,505	\$ 12,505	\$ 12,505	\$ -
Water safety council	3,500	3,659	3,658	1
Total parks and recreation	\$ 16,005	\$ 16,164	\$ 16,163	\$ 1
Cultural enrichment:				
Historical society	\$ 900	\$ 900	\$ 900	\$ -
Chamber of commerce	6,000	6,000	6,000	-
Tourism association	128,656	151,931	147,256	4,675
Taste of Brunswick festival	5,000	5,000	5,000	-
Fort Christanna Preservation	5,000	25,000	348	24,652
Total cultural enrichment	\$ 145,556	\$ 188,831	\$ 159,504	\$ 29,327
Library:				
Contribution to regional library	\$ 184,838	\$ 184,838	\$ 184,838	\$ -
Total parks, recreation, and cultural	\$ 346,399	\$ 389,833	\$ 360,505	\$ 29,328
Community development:				
Planning and community development:				
Planning	\$ 239,957	\$ 239,957	\$ 234,720	\$ 5,237
Economic development	233,965	315,503	279,572	35,931
Regional planning commission	23,793	23,793	23,793	-
Roanoke River Regional Business Park	5,000	5,000	-	5,000
Brunswick literacy council	3,501	3,501	3,501	-
Mecklenburg - Brunswick regional airport	25,000	25,000	25,000	-
Art bank	10,000	10,000	10,000	-
Total planning and community development	\$ 541,216	\$ 622,754	\$ 576,586	\$ 46,168
Environmental management:				
Contribution to soil and water district	\$ 11,543	\$ 11,543	\$ 11,543	\$ -
Cooperative extension program:				
Extension office	\$ 81,364	\$ 81,364	\$ 80,319	\$ 1,045
Total community development	\$ 634,123	\$ 715,661	\$ 668,448	\$ 47,213
Capital projects:				
Other capital projects	\$ 7,500	\$ 7,500	\$ 7,500	\$ -
Total capital projects	\$ 7,500	\$ 7,500	\$ 7,500	\$ -

Schedule of Expenditures - Budget and Actual
 Governmental Funds and Discretely Presented Component Unit School Board
 For the Year Ended June 30, 2020 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Debt service:				
Principal retirement	\$ 557,736	\$ 557,736	\$ 557,736	\$ -
Interest and other fiscal charges	413,931	413,931	413,894	37
Total debt service	<u>\$ 971,667</u>	<u>\$ 971,667</u>	<u>\$ 971,630</u>	<u>\$ 37</u>
Total General Fund	<u>\$ 23,988,195</u>	<u>\$ 25,119,618</u>	<u>\$ 23,945,233</u>	<u>\$ 1,174,385</u>
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Health and welfare:				
Welfare and social services:				
Welfare administration	\$ 1,906,707	\$ 1,975,707	\$ 1,855,979	\$ 119,728
Public assistance	375,482	375,482	398,361	(22,879)
Total welfare and social services	<u>\$ 2,282,189</u>	<u>\$ 2,351,189</u>	<u>\$ 2,254,340</u>	<u>\$ 96,849</u>
Total Virginia Public Assistance Fund	<u>\$ 2,282,189</u>	<u>\$ 2,351,189</u>	<u>\$ 2,254,340</u>	<u>\$ 96,849</u>
Airport Commission Fund:				
Public works:				
Maintenance of general buildings and grounds	\$ 32,569	\$ 32,569	\$ 33,444	\$ (875)
Total Airport Commission Fund	<u>\$ 32,569</u>	<u>\$ 32,569</u>	<u>\$ 33,444</u>	<u>\$ (875)</u>
CSA Fund:				
Health and welfare:				
Welfare and social services:				
Comprehensive services	\$ 1,045,000	\$ 1,045,000	\$ 739,139	\$ 305,861
Total CSA Fund	<u>\$ 1,045,000</u>	<u>\$ 1,045,000</u>	<u>\$ 739,139</u>	<u>\$ 305,861</u>
Debt Service Fund:				
School Debt Service Fund:				
Debt service:				
Principal retirement	\$ 552,960	\$ 552,960	\$ 474,622	\$ 78,338
Interest and other fiscal charges	199,754	199,754	199,753	1
Total School Debt Service Fund	<u>\$ 752,714</u>	<u>\$ 752,714</u>	<u>\$ 674,375</u>	<u>\$ 78,339</u>
Capital Projects Funds:				
County Capital Improvements Fund:				
Capital projects:				
Attended convenience center	\$ -	\$ 316,861	\$ 316,861	\$ -
Economic development	-	1,460,000	753,656	706,344
Alvis Road Housing project	183,163	221,190	222,440	(1,250)
Flat Rock Road housing project	-	169,933	168,683	1,250
Chestnut Road	-	28,703	28,703	-
Total capital projects	<u>\$ 183,163</u>	<u>\$ 2,196,687</u>	<u>\$ 1,490,343</u>	<u>\$ 706,344</u>
Total County Capital Improvements Fund	<u>\$ 183,163</u>	<u>\$ 2,196,687</u>	<u>\$ 1,490,343</u>	<u>\$ 706,344</u>
Total Primary Government	<u>\$ 28,283,830</u>	<u>\$ 31,497,777</u>	<u>\$ 29,136,874</u>	<u>\$ 2,360,903</u>

Schedule of Expenditures - Budget and Actual

Governmental Funds and Discretely Presented Component Unit School Board

For the Year Ended June 30, 2020 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Instruction costs:				
Elementary and secondary schools	\$ 11,682,099	\$ 11,752,574	\$ 10,674,266	\$ 1,078,308
Guidance services	391,796	391,796	411,405	(19,609)
Homebound instruction	33,331	33,331	7,590	25,741
Other instructional costs	1,572,418	2,930,853	2,552,094	378,759
Media services	280,931	280,931	301,461	(20,530)
Office of the principal	1,206,426	1,206,426	1,117,300	89,126
Total instruction costs	<u>\$ 15,167,001</u>	<u>\$ 16,595,911</u>	<u>\$ 15,064,116</u>	<u>\$ 1,531,795</u>
Operating costs:				
Administration, attendance and health services	\$ 915,427	\$ 915,427	\$ 959,283	\$ (43,856)
Pupil transportation	1,995,446	1,995,446	1,909,365	86,081
Operation and maintenance of school plant	2,305,601	2,305,601	2,258,673	46,928
Total operating costs	<u>\$ 5,216,474</u>	<u>\$ 5,216,474</u>	<u>\$ 5,127,321</u>	<u>\$ 89,153</u>
Total education	<u>\$ 20,383,475</u>	<u>\$ 21,812,385</u>	<u>\$ 20,191,437</u>	<u>\$ 1,620,948</u>
Capital projects:				
Technology	\$ 1,097,481	\$ 1,097,481	\$ 972,149	\$ 125,332
School capital projects	-	25,866	33,922	(8,056)
Total capital projects	<u>\$ 1,097,481</u>	<u>\$ 1,123,347</u>	<u>\$ 1,006,071</u>	<u>\$ 117,276</u>
Debt service:				
Principal retirement	\$ 81,615	\$ 81,615	\$ 77,464	\$ 4,151
Interest and other fiscal charges	-	-	4,151	(4,151)
Total debt service	<u>\$ 81,615</u>	<u>\$ 81,615</u>	<u>\$ 81,615</u>	<u>\$ -</u>
Total School Operating Fund	<u>\$ 21,562,571</u>	<u>\$ 23,017,347</u>	<u>\$ 21,279,123</u>	<u>\$ 1,738,224</u>
Special Revenue Fund:				
School Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ 1,347,500	\$ 1,361,100	\$ 1,204,469	\$ 156,631
Total School Cafeteria Fund	<u>\$ 1,347,500</u>	<u>\$ 1,361,100</u>	<u>\$ 1,204,469</u>	<u>\$ 156,631</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 22,910,071</u>	<u>\$ 24,378,447</u>	<u>\$ 22,483,592</u>	<u>\$ 1,894,855</u>

Statistical Information

COUNTY OF BRUNSWICK, VIRGINIA

Table 1

Government-Wide Expenses by Function
Last Ten Fiscal Years

Fiscal Year	General Government		Judicial		Public		Health and Welfare		Parks, Recreation, and Cultural		Community Development		Interest on Long- Term Debt		Total			
	Administration		Administration		Public Safety	Public Works			Education									
2010-11	\$	1,515,442	\$	894,951	\$	5,981,996	\$	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		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		2,465,150		5,871,279		252,293		1,570,574		519,431		21,479,684
2013-14		1,648,242		1,414,529		6,487,385		2,659,973		5,063,297		259,810		3,813,096		800,519		23,486,170
2014-15		1,579,943		1,307,752		6,000,403		2,567,376		5,262,095		266,468		1,366,109		665,363		20,322,136
2015-16		1,559,145		1,375,338		7,059,685		2,772,335		5,815,545		257,645		1,010,181		633,693		21,883,535
2016-17		1,822,713		1,459,765		7,167,141		2,980,849		5,434,742		255,735		677,268		583,281		22,086,348
2017-18		1,985,432		1,529,147		7,746,153		2,872,766		6,303,988		307,427		855,923		616,694		23,924,656
2018-19		1,741,196		1,531,103		8,780,522		3,189,487		6,562,690		488,124		1,297,820		803,462		26,356,111
2019-20		2,426,306		1,653,439		9,675,222		3,242,931		6,381,182		455,194		1,091,047		559,832		27,682,560

COUNTY OF BRUNSWICK, VIRGINIA

Table 2

Government-Wide Revenues
Last Ten Fiscal Years

Fiscal Year	PROGRAM REVENUES			GENERAL REVENUES					Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes (2)	Other Local Taxes (1)	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	
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
2013-14	1,630,651	4,160,447	392,015	9,313,663	4,033,028	122,685	213,594	1,867,531	21,733,614
2014-15	1,571,419	4,071,497	166,588	9,703,330	3,068,643	123,332	71,038	1,835,661	20,611,508
2015-16	1,684,807	4,191,607	238,644	11,788,542	1,899,602	133,637	150,380	1,825,892	21,913,111
2016-17	2,329,785	4,297,335	682,187	14,348,055	1,617,595	139,209	140,896	1,825,375	25,380,437
2017-18	2,369,366	4,589,867	630,396	15,331,809	1,702,794	163,660	95,138	1,890,960	26,773,990
2018-19	2,636,357	4,839,710	716,188	15,980,713	1,231,660	175,557	161,688	1,801,300	27,543,173
2019-20	2,538,956	4,940,591	905,845	16,396,646	1,738,812	178,543	182,125	1,825,066	28,706,584

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

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

COUNTY OF BRUNSWICK, VIRGINIA

Table 3

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

Fiscal Year	General Government		Judicial Administration	Health and Welfare		Parks, Recreation, and Cultural		Community Development (4)	Debt Service		Total
	Administration (5)			Public Safety	Public Works	Education (3)					
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	
2013-14	1,426,940	1,413,644	6,342,689	1,686,456	2,649,948	21,482,142	233,274	3,687,442	1,764,803	40,687,338	
2014-15	1,438,319	1,386,757	6,575,863	1,396,182	2,583,091	21,170,800	239,931	1,363,728	1,716,178	37,870,849	
2015-16	1,568,035	1,483,160	7,051,045	1,812,155	2,834,258	20,966,306	231,108	555,642	1,781,620	38,283,329	
2016-17	1,576,848	1,450,499	7,260,047	1,671,037	3,026,057	21,486,186	229,720	579,735	2,169,963	39,450,092	
2017-18	1,821,500	1,585,807	7,868,156	1,763,901	3,025,512	22,795,587	255,023	470,141	1,476,193	41,061,820	
2018-19	1,707,746	1,664,721	8,926,927	2,090,744	3,297,090	22,298,807	491,594	594,805	4,589,478	45,661,912	
2019-20	2,252,167	1,725,007	9,575,977	2,270,379	3,209,710	21,466,193	360,505	668,448	1,727,620	43,256,006	

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

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

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

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

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

COUNTY OF BRUNSWICK, VIRGINIA

Table 4

General Governmental Revenues by Source (1)
Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes (3)	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (2)	Total
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
2013-14	9,338,344	4,033,028	88,964	908,216	117,282	845,321	649,235	277,405	22,549,870	38,807,665
2014-15	9,693,867	3,068,643	79,046	888,760	123,582	757,019	449,885	374,381	21,951,844	37,387,027
2015-16	11,672,323	1,899,602	65,142	889,369	132,902	908,820	827,220	313,360	22,416,798	39,125,536
2016-17	14,257,624	1,617,595	75,261	1,342,861	138,616	1,091,106	489,443	241,986	23,266,709	42,521,201
2017-18	15,335,217	1,702,794	69,089	1,349,105	151,035	1,127,486	311,492	327,481	23,165,856	43,539,555
2018-19	15,910,223	1,231,660	69,283	1,489,472	148,596	1,259,031	441,078	394,064	22,926,851	43,870,258
2019-20	16,218,105	1,738,812	55,141	1,448,184	173,707	1,148,235	498,560	310,686	22,932,409	44,523,839

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

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

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

COUNTY OF BRUNSWICK, VIRGINIA

Table 5

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1,2)	Percent of Delinquent Taxes to Tax Levy
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%
2013-14	10,593,557	10,343,239	97.64%	167,216	10,510,455	99.22%	467,661	4.41%
2014-15	10,913,880	10,630,423	97.40%	240,313	10,870,736	99.60%	473,899	4.34%
2015-16	12,987,541	12,648,599	97.39%	255,928	12,904,527	99.36%	528,917	4.07%
2016-17	15,565,394	15,244,901	97.94%	186,480	15,431,381	99.14%	596,737	3.83%
2017-18	16,555,733	16,230,970	98.04%	240,759	16,471,729	99.49%	632,919	3.82%
2018-19	17,243,138	16,833,632	97.63%	211,248	17,044,880	98.85%	696,696	4.04%
2019-20	17,444,564	16,974,029	97.30%	356,935	17,330,964	99.35%	813,650	4.66%

(1) Exclusive of penalties and interest.

(2) Includes three most current delinquent tax years.

COUNTY OF BRUNSWICK, VIRGINIA

Table 6

Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property and Mobile Homes (1)	Machinery and Tools	Merchants Capital	Public Utility (2)(3)	Total
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
2013-14	1,283,649,442	108,030,830	13,688,110	14,602,910	63,772,289	1,483,743,581
2014-15	1,288,728,276	110,786,565	17,273,840	14,210,700	84,983,256	1,515,982,637
2015-16	1,294,538,346	116,860,850	17,351,320	7,543,250	490,330,633	1,926,624,399
2016-17	1,298,006,765	124,144,270	18,163,830	7,802,300	975,481,233	2,423,598,398
2017-18	1,303,563,180	124,218,160	19,288,060	-	940,609,009	2,387,678,409
2018-19	1,299,841,870	125,870,640	19,494,570	-	1,004,963,140	2,450,170,220
2019-20	1,304,304,560	127,960,455	19,495,420	-	1,024,761,593	2,476,522,028

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

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

(3) Increase due to new Dominion power plant.

COUNTY OF BRUNSWICK, VIRGINIA

Table 7

Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Year	Real Estate	Mobile Homes	Personal Property	Fire and Rescue Volunteers	Machinery and Tools	Merchant's Capital
2010-11	\$ 0.39	\$ 0.39	\$ 3.40	N/A	\$ 3.40	\$ 1.20
2011-12	0.39	0.39	3.40	N/A	3.40	1.20
2012-13	0.47	0.47	3.60	N/A	3.40	1.20
2013-14	0.47	0.47	3.60	N/A	3.40	1.20
2014-15	0.47	0.47	3.60	2.40	3.40	1.20
2015-16	0.47	0.47	3.60	2.15	3.40	1.20
2016-17	0.47	0.47	3.60	2.64	3.40	1.20
2017-18	0.52	0.52	3.65	2.71	3.40	N/A
2018-19	0.53	0.53	3.65	2.81	3.40	N/A
2019-20	0.53	0.53	3.65	2.59	3.40	N/A

(1) Per \$100 of assessed value.

COUNTY OF BRUNSWICK, VIRGINIA

Table 8

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

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross Bonded Debt (3)	Less:		Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
				Debt Service Monies Available	Net Bonded Debt		
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
2013-14	17,275	1,483,744	15,579,759	-	15,579,759	1.05%	902
2014-15	17,235	1,515,983	14,579,257	-	14,579,257	0.96%	846
2015-16	16,930	1,926,624	13,476,105	-	13,476,105	0.70%	796
2016-17	16,687	2,423,598	11,947,042	-	11,947,042	0.49%	716
2017-18	16,581	2,387,678	11,155,316	-	11,155,316	0.47%	673
2018-19	16,481	2,450,170	12,488,881	-	12,488,881	0.51%	758
2019-20	16,292	2,476,522	11,543,337	-	11,543,337	0.47%	709

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

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

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

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

Compliance



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Brunswick, Virginia as of and for the year ended June 30, 2020, 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 March 26, 2021.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Robinson Farin Cox Associates

Charlottesville, Virginia
March 26, 2021



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

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

**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 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, 2020. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2020.

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 the Uniform Guidance, 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Robinson Farrow Cox Associates

Charlottesville, Virginia
March 26, 2021

COUNTY OF BRUNSWICK, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Subrecipients
Department of Health and Human Services:				
Pass Through Payments:				
Virginia Department of Social Services:				
Promoting Safe and Stable Families	93.556	0950118/19	\$ 12,121	\$ -
Temporary Assistance for Needy Families (TANF)	93.558	0400119/20	197,819	-
Refugee and Entrant Assistance - State Administered Programs	93.566	0500120	321	-
Low-Income Home Energy Assistance	93.568	0600419/20	38,969	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF Cluster)	93.596	0760119/20	37,751	-
Chafee Education and Training Vouchers Program (ETV)	93.599	9160119	755	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900118/19	482	-
Foster Care - Title IV-E	93.658	1100119/20, 1110119	116,652	-
Adoption Assistance	93.659	1120119/20	75,694	-
Social Services Block Grant	93.667	1000119/20	178,832	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150118/19	2,204	-
Children's Health Insurance Program (CHIP)	93.767	0540119/20	4,889	-
Medical Assistance Program (Medicaid Cluster)	93.778	1200119/20	311,492	-
Total Department of Health and Human Services			\$ 977,981	\$ -
Department of Agriculture:				
Pass Through Payments:				
Virginia Department of Agriculture and Consumer Services:				
Food Distribution (Child Nutrition Cluster)	10.555	Unknown	\$ 49,675	
Virginia Department of Education:				
COVID-19 - National School Lunch Program (NSLP) (Child Nutrition Cluster)	10.555	20N85034	108,661	
National School Lunch Program (NSLP) (Child Nutrition Cluster)	10.555	19/20N109941	469,133	\$ 627,469
COVID-19 - School Breakfast Program (Child Nutrition Cluster)	10.553	20N85034	\$ 59,947	
School Breakfast Program (Child Nutrition Cluster)	10.553	19/20N109941	176,934	236,881
Fresh Fruit and Vegetable Program	10.582	19/20L160341		40,992
Virginia Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	0010119/20, 0040119/20, 0050120	307,482	-
Total Department of Agriculture			\$ 1,212,824	\$ -

COUNTY OF BRUNSWICK, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2020

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number		Federal Expenditures	Subrecipients
Department of Defense:					
Direct Payments:					
ROTC	12.U00	N/A		\$ 32,568	\$ -
Department of Housing and Urban Development:					
Pass Through Payments:					
Virginia Department of Housing and Community Development:					
Community Development Block Grants/State's Program and Non-	14.228	CAMS 1610	\$ 168,683		
Entitlement Grants in Hawaii	14.228	CAMS 1702	224,740		
	14.228	CAMS 19PG17	30,000	\$ 423,423	\$ -
Department of Justice:					
Direct payments:					
State Criminal Alien Assistance Program (SCAAP)	16.606	N/A		\$ 3,077	\$ 3,077
Bulletproof Vest Partnership Program	16.607	N/A		12,989	1,104
Pass Through Payments:					
Virginia Department of Criminal Justice Services:					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	20-T1126LO17	\$ 1,487		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	20-A4825AD16	85,000	86,487	-
Crime Victim Assistance	16.575	20-X9272VW18		83,445	-
Total Department of Justice				\$ 185,998	\$ 4,181
Department of Homeland Security:					
Pass Through Payments:					
Virginia Department of Emergency Management:					
Emergency Management Performance Grants	97.042	EMP-2018-EP-00007		\$ 7,463	\$ -
Department of Treasury:					
Pass Through Payments:					
Virginia Department of Accounts:					
COVID-19 - Coronavirus Relief Fund	21.019	SLT0022		\$ 139,232	\$ 114,118
U.S. Election Assistance Commission:					
Pass Through Payments:					
Virginia State Board of Elections:					
COVID-19 - HAVA Election Security Grants	90.404	Unknown		\$ 3,058	\$ -
Department of Education:					
Pass Through Payments:					
Virginia Department of Education:					
Title I - Grants to Local Educational Agencies	84.010	S010A180046/19		\$ 771,356	\$ -
Special Education Cluster:					
Special Education - Grants to States (IDEA, Part B)	84.027	H027A180107/19	\$ 329,591		
Special Education - Preschool Grants (IDEA Preschool)	84.173	H173A180112/19	19,289	348,880	-
Career and Technical Education - Basic Grants to States	84.048	V048A180046/19		52,210	-
Rural Education	84.358	S358B180046/19		12,081	-
Improving Teacher Quality State Grants	84.367	S367A180044/19		89,159	-
School Improvement Grants	84.377	S377A150047		765,813	-
Preschool Development Grants	84.419	S419B150010		21,403	-
Student Support and Academic Enrichment Program	84.424	S424A180048/19		17,032	-
Virginia Polytechnic Institute:					
English Language Acquisition State Grants	84.365	Unknown		3,968	-
Total Department of Education				\$ 2,081,902	\$ -
Total Expenditures of Federal Awards				\$ 5,064,449	\$ 118,299

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, 2020

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of County of Brunswick, Virginia under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of County of Brunswick, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of County of Brunswick, Virginia.

Note 2 - Summary of Significant Accounting Policies

(1) Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

Note 3 - Food Donation

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

Note 4 - Subrecipients

Funds were passed through to the following subrecipients:

Meherrin River Regional Jail	\$ 4,181
Town of Lawrenceville	90,213
Town of Brodnax	23,905
Total passed through to subrecipients	<u>\$ 118,299</u>

Note 5 - Indirect Costs

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

Note 6 - 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	\$ 409,370
Special Revenue Funds:	
Virginia Public Assistance Fund	1,200,120
CSA Fund	19,286
Debt Service Funds:	
Debt Service Fund	30,594
Capital Projects Funds:	
County Capital Improvements Fund	423,423
Total primary government	<u>\$ 2,082,793</u>

Component Unit School Board:

School Operating Fund	\$ 2,114,470
School Cafeteria Fund	905,342
Total component unit School Board	<u>\$ 3,019,812</u>

Total federal expenditures per basic financial
statements

\$ 5,102,605

Reconciling Items:

Federal interest subsidy	\$ (30,594)
HHS Provider Relief Funds	(7,562)
Total reconciling items	<u>\$ (38,156)</u>

Total federal expenditures per the Schedule of Expenditures of Federal Awards

\$ 5,064,449

COUNTY OF BRUNSWICK, VIRGINIA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

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
2 CFR Section 200.516(a)? No

Identification of major programs:

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

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? No

SECTION II - FINANCIAL STATEMENT FINDINGS

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, 2020

Finding - 2019-001

Federal Program: Child Nutrition Cluster 10.553/10.555 - Department of Agriculture, Passed Through Virginia Department of Education

Federal Award Number: 201818N109941 Year: 2018
201919N109941 Year: 2019

Criteria:

The School Board operates under a division-wide Community Eligibility Provision (CEP) for the National School Lunch and School Breakfast programs. Management is responsible for counting all meals served to students, maintaining a system that prevents claiming more than one meal per student and does not allow claiming of meals served to ineligible children and/or adults, and for submitting in SNPWeb the total number of meals served each month in the reimbursement claim.

Condition:

Totaro Elementary School claimed more meals served than total attendance or enrollment reported for the school.

Context:

Five schools participate in this program. Three months of claims were tested for each of the schools. Totaro Elementary School reported 14 meals in excess of total attendance (including tardy students) at the school on 11/28/18. In January 2019, the total adjusted attendance was 279 students. On 1/8/19, 1/15/19, and 1/16/19, meals were claimed in the amount of 278, 290, and 287, respectively. In May 2019, the total adjusted attendance was 280 students. On 5/1/19 and 5/2/19, meals were claimed totaling 284 and 298, respectively, compared to attendance of 287 and 280 students, respectively. The total attendance reported for 5/2/19 (including absent students) was 296.

Cause:

Management does not have controls in place to ensure that students are not being served more than one meal or that meals are not served to ineligible students or adults.

Effect:

The School is not in compliance with program requirements and has claimed more meals for reimbursement than allowable.

Recommendations:

We recommend the School Board implement internal controls over compliance to prevent claiming more than one meal per student and to prevent serving meals to ineligible children and/or adults.

Views of Responsible Officials:

Controls have been implemented to safeguard that the information reported for attendance and meal reimbursement is accurate.

Status:

Corrective action was taken as described above. VDOE provided technical assistance, meal claiming training was provided to managers and cashiers, made communication with software provider to keep equipment and software updated, and the food service manager attended several webinars about meal and claiming procedures.

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