

# COUNTY OF BRUNSWICK, VIRGINIA



FINANCIAL REPORT YEAR  
ENDED JUNE 30, 2021



**County of Brunswick, Virginia**  
**Financial Report**  
**For the Year Ended June 30, 2021**

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# COUNTY OF BRUNSWICK, VIRGINIA

Financial Report  
For the Year Ended June 30, 2021

## TABLE OF CONTENTS

---

	<u>PAGE</u>
Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-9
<b><u>Basic Financial Statements:</u></b>	
<b>Government-Wide Financial Statements:</b>	
Exhibit 1    Statement of Net Position	10
Exhibit 2    Statement of Activities	11-12
<b>Fund Financial Statements:</b>	
Exhibit 3    Balance Sheet—Governmental Funds	13
Exhibit 4    Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	14
Exhibit 5    Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds	15
Exhibit 6    Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Exhibit 7    Statement of Fiduciary Net Position—Fiduciary Funds	17
Exhibit 8    Statement of Changes in Fiduciary Net Position—Fiduciary Funds	18
<b>Notes to Financial Statements</b>	19-90
<b><u>Required Supplementary Information:</u></b>	
Exhibit 9    Schedule of Revenues, Expenditures and Changes in Fund Balances— Budget and Actual—General Fund	91
Exhibit 10   Schedule of Revenues, Expenditures and Changes in Fund Balances— Budget and Actual—Virginia Public Assistance Fund	92
Exhibit 11   Schedule of Changes in Net Pension Liability and Related Ratios—Primary Government	93
Exhibit 12   Schedule of Changes in Net Pension Liability (Asset) and Related Ratios—Component Unit School Board (nonprofessional)	94
Exhibit 13   Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan	95

# COUNTY OF BRUNSWICK, VIRGINIA

Financial Report  
For the Year Ended June 30, 2021

## TABLE OF CONTENTS

---

	<u>PAGE</u>
<b><u>Required Supplementary Information: (Continued)</u></b>	
Exhibit 14	Schedule of Employer Contributions – VRS Pension Plans 96
Exhibit 15	Notes to Required Supplementary Information – VRS Pension Plans 97
Exhibit 16	Schedule of County's and School Board's Share of Net OPEB Liability – VRS Cost-Sharing OPEB Plans 98
Exhibit 17	Schedule of Changes in the School Board's Net OPEB Liability and Related Ratios – Health Insurance Credit (HIC) Plan 99
Exhibit 18	Schedule of Employer Contributions VRS OPEB Plan – Group Life Insurance (GLI) Plan 100
Exhibit 19	Schedule of Employer Contributions VRS OPEB Plans – Health Insurance Credit (HIC) and Teacher Employee Health Insurance Credit (HIC) Plans 101
Exhibit 20	Notes to Required Supplementary Information VRS OPEB Plan – Group Life Insurance (GLI) Plan 102
Exhibit 21	Notes to Required Supplementary Information VRS OPEB Plans – Health Insurance Credit (HIC) and Teacher Health Insurance Credit (HIC) Plans 103
Exhibit 22	Schedule of Changes in Total OPEB Liability and Related Ratios – Health Insurance OPEB Plans – Primary Government and Component Unit School Board 104
Exhibit 23	Notes to Required Supplementary Information – Health Insurance OPEB Plans – Primary Government and Component Unit School Board 105
<b><u>Other Supplementary Information:</u></b>	
<b>Combining and Individual Fund Financial Statements and Schedules:</b>	
Exhibit 24	Schedule of Revenues, Expenditures and Changes in Fund Balances— Budget and Actual—Debt Service Fund 106
Exhibit 25	Schedule of Revenues, Expenditures and Changes in Fund Balances— Budget and Actual—Capital Projects Fund 107
Exhibit 26	Combining Balance Sheet—Nonmajor Special Revenue Funds 108
Exhibit 27	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Nonmajor Special Revenue Funds 109
Exhibit 28	Schedule of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—Nonmajor Special Revenue Funds 110-111

# COUNTY OF BRUNSWICK, VIRGINIA

Financial Report  
For the Year Ended June 30, 2021

## TABLE OF CONTENTS

---

	<u>PAGE</u>
<b><u>Other Supplementary Information: (Continued)</u></b>	
<b>Combining and Individual Fund Financial Statements and Schedules: (Continued)</b>	
Exhibit 29	Combining Statement of Fiduciary Net Position—Fiduciary Funds 112
Exhibit 30	Combining Statement of Changes in Fiduciary Net Position—Custodial Funds 113
Exhibit 31	Combining Balance Sheet—Discretely Presented Component Unit-School Board 114
Exhibit 32	Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds—Discretely Presented Component Unit-School Board 115
Exhibit 33	Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—Discretely Presented Component Unit-School Board 116-117
<b>Supporting Schedules:</b>	
Schedule 1	Schedule of Revenues—Budget and Actual—Governmental Funds and Discretely Presented Component Unit-School Board 118-125
Schedule 2	Schedule of Expenditures—Budget and Actual—Governmental Funds and Discretely Presented Component Unit-School Board 126-131
<b>Statistical Information:</b>	
Table 1	Government-wide Expenses by Function—Last Ten Fiscal Years 132
Table 2	Government-wide Revenues—Last Ten Fiscal Years 133
Table 3	General Governmental Expenditures by Function—Last Ten Fiscal Years 134
Table 4	General Governmental Revenues by Source—Last Ten Fiscal Years 135
Table 5	Property Tax Levies and Collections—Last Ten Fiscal Years 136
Table 6	Assessed Value of Taxable Property—Last Ten Fiscal Years 137
Table 7	Property Tax Rates—Last Ten Fiscal Years 138
Table 8	Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita—Last Ten Fiscal Years 139

**COUNTY OF BRUNSWICK, VIRGINIA**

Financial Report  
For the Year Ended June 30, 2021

**TABLE OF CONTENTS**

---

	<u>PAGE</u>
<b><u>Compliance:</u></b>	
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 <i>Government Auditing Standards</i>	140-141
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	142-143
Schedule of Expenditures of Federal Awards	144-145
Notes to Schedule of Expenditures of Federal Awards	146
Schedule of Findings and Questioned Costs	147-148
Summary Schedule of Prior Audit Findings	149



**BOARD OF SUPERVISORS**

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

**COUNTY SOCIAL SERVICES BOARD**

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Bernard Jones	Jacqueline Tyler, Chairperson	Maurice Wesson
Tiffany Dotti	Audrey Jarrett-Nelson	Wilhelmina Jones

**COUNTY SCHOOL BOARD**

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

**OTHER OFFICIALS**

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





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**Independent Auditors' Report**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund and the aggregate remaining fund information of County of Brunswick, Virginia, as of and for the year ended June 30, 2021, 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 did not audit the financial statements of the school activity funds, which represent .46 percent, .66 percent, and .29 percent, respectively, of the assets, net position, and revenues of the component unit School Board. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the school activity funds, is based solely on the report of the other auditors. 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, based on the audit and the report of other auditors, 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, 2021, 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.

## ***Change in Accounting Principle***

As described in Note 23 to the financial statements, in 2021, the County adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

## ***Correction of Error***

As described in Notes 4 and 8 to the financial statements, in 2021, the County applied accounting guidance, GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* in relation to accounting for property tax deferrals. Our opinion is not modified with respect to this matter.

## ***Restatement of Beginning Balances***

As described in Note 23 to the financial statements, in 2021, the County restated beginning balances to reflect the requirements of GASB Statement No. 84. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding on pages 4-9, 91-92 and 93-105 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.

## ***Other Matters (Continued)***

### *Supplementary and Other Information (Continued)*

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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, 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 June 23, 2022, 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 Faxon Cox Associates*

Charlottesville, Virginia  
June 23, 2022

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

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

As management of County of Brunswick, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2021.

**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 \$17,752,580 (net position), an increase of \$1,178,905 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 \$139,454 (Exhibit 5) after making contributions totaling \$7,071,691 to the School Board.

- As of the close of the current fiscal year, the County's governmental funds reported ending fund balances of \$17,164,032 a decrease of \$139,454 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$16,838,094 or 59% of total general fund expenditures.
- Combined long-term obligations for the governmental funds decreased \$535,038 during the current fiscal year. Debt balances decreased by \$1,497,388.

**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 custodial funds. It is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position. The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations. Custodial funds are used to provide accountability of various monies for which the County is custodian.



## **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 \$17,752,580 at the close of the most recent fiscal year.

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

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
Current and other assets	\$ 31,624,272	\$ 20,353,581
Capital assets	<u>18,667,083</u>	<u>18,785,985</u>
Total assets	<u>\$ 50,291,355</u>	<u>\$ 39,139,566</u>
Deferred outflows of resources	<u>\$ 2,437,291</u>	<u>\$ 1,751,744</u>
Long-term liabilities	\$ 20,929,791	\$ 21,464,831
Current liabilities	<u>914,492</u>	<u>2,394,991</u>
Total liabilities	<u>\$ 21,844,283</u>	<u>\$ 23,859,822</u>
Deferred inflows of resources	<u>\$ 13,131,783</u>	<u>\$ 467,352</u>
Net position:		
Net investment in capital assets	\$ 10,316,055	\$ 9,571,041
Restricted	243,629	183,019
Unrestricted	<u>7,192,896</u>	<u>6,810,076</u>
Total net position	<u>\$ 17,752,580</u>	<u>\$ 16,564,136</u>

At the end of the current fiscal year, the County's net investment in capital assets was \$10,316,055. 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 \$1,178,905.**Summary Statement of Change in Net Position**

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
Revenues:		
Program revenues:		
Charges for services	\$ 3,097,616	\$ 2,538,956
Operating grants and contributions	7,353,094	4,940,591
Capital grants and contributions	962,401	905,845
General revenues:		
General property taxes	16,390,648	16,396,646
Other local taxes	1,950,781	1,738,812
Grants and other contributions not restricted	1,807,419	1,825,066
Use of money and property	130,317	178,543
Miscellaneous	114,351	182,125
Total revenues	<u>\$ 31,806,627</u>	<u>\$ 28,706,584</u>
Expenses:		
General government administration	\$ 2,267,710	\$ 2,426,306
Judicial administration	1,981,344	1,653,439
Public safety	10,814,097	9,675,222
Public works	2,148,169	2,197,407
Health and welfare	3,100,748	3,242,931
Education	8,097,331	6,381,182
Parks, recreation, and cultural	432,164	455,194
Community development	1,113,599	1,091,047
Interest on long-term debt	672,560	559,832
Total expenses	<u>\$ 30,627,722</u>	<u>\$ 27,682,560</u>
Increase (decrease) in net position	<u>\$ 1,178,905</u>	<u>\$ 1,024,024</u>
Net position, July 1	\$ 16,564,136	\$ 15,540,112
GASB 84 restatement	9,539	-
Net position, July 1, restated	<u>\$ 16,573,675</u>	<u>\$ 15,540,112</u>
Net position, June 30	<u>\$ 17,752,580</u>	<u>\$ 16,564,136</u>

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

Key elements of this increase are as follows:

Total revenues increased by \$3,100,043 over the prior year. Operating grants and contributions increased by \$2,412,503. CARES funding of \$2,782,996 was recognized during the year related to hazardous duty stipends; distributions to Towns; contributions to Fire & EMS organizations and other entities; broadband activities; airport renovations for a triage center; digitizing circuit court records; an HVAC upgrade at the regional library; and various other equipment and supplies. The other category with a noticeable change was charges for services, which increased by \$558,660. This reflects an increase in collections for court fines and forfeitures and court costs. An increase in local sales tax contributed to an increase of \$211,969 in other local taxes.

Total expenses increased by \$2,945,162 over the prior year reflecting the significant impact of the COVID pandemic. Similar to the prior year, expenses included items such as the purchase of PPE, CARES distributions to Towns, and sanitizing costs. Public safety expenses increased by \$1,138,875. This reflects the hazardous duty stipends, contributions to Fire & EMS organizations, radio communication equipment, motor vehicles, and video surveillance equipment all funded by CARES. Education increased by \$1,716,149, which includes a \$300,000 allocation of CARES funding. In the prior year, Education expenses decreased as a result of school closures from mid-March through June 30, 2020 in response to COVID. Judicial administration increased by \$327,905, which reflects expenses for digitizing records of the Circuit Court.

## **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 \$17,164,032, a decrease of \$139,454 from the prior year. Approximately 98% 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 \$4,732,089 in expenditures and can be briefly summarized as follows:

- \$617,142 in increases for general government administration
- \$1,788,231 in increases for public safety (due to the impact of COVID)
- \$785,000 in education
- \$734,034 in increases for community development (due to the impact of COVID)
- \$807,682 in other increases

Of this increase, \$75,000, \$10,000, \$17,204, \$110,744, and \$3,326,251 was to be funded from fines and forfeitures, miscellaneous revenues, recovered costs, state grants, and federal grant funding, respectively. The remaining \$1,192,890 was to come from available fund balance. During the year, however, expenditures were less than budgetary estimates by \$1,381,556 (net of the unbudgeted payoff of bonds), 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, 2021 amounted to \$18,667,083 (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 \$323,020 during the current fiscal year, while accumulated depreciation increased by \$441,922, resulting in a net decrease of \$118,902. Additions included the contribution of land from Dominion for a Lake Gaston Day Use area, a triage center at the Airport, land for economic development, several vehicles, a courthouse surveillance system, a roof for the newly purchased Fiberright building, and various equipment. The additions were largely offset by the transfer of assets to the School Board due to payoff of the QZAB bonds.

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 \$20,929,793 for its governmental operations. Of this amount \$11,003,780 comprises obligations backed by the full faith and credit of the County. The remainder of the County's debt for governmental operations (\$9,926,013) represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

The County's total debt and other long-term obligations outstanding decreased by \$535,038 during the current fiscal year. Required payments made on outstanding principal balances were offset by the changes in pension and OPEB liabilities. The County also issued refunding bonds during the year. The 2020 tax-exempt lease bonds in the amount of \$1,645,000 refunded the outstanding radio communication network lease in the amount of \$1,909,000. The 2020 taxable lease bonds in the amount of \$3,760,000 advance refunded \$3,210,000 of the 2013C bonds, leaving a balance of \$710,000 to be paid by the County.

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 4.7 percent, which is a decrease from a rate of 7.4 percent a year ago. This is slightly higher than the state's average unemployment rate of 3.0 percent and the national average rate of 4.2 percent. This shows that the County is rebounding from the COVID-19 impact on the local 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 2022 fiscal year.

The County's fiscal year 2022 budget amounted to \$25,475,258 (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, 2021

	Primary		
	Governmental Activities	School Board	Component Units IDA
<b>ASSETS</b>			
Cash and cash equivalents	\$ 16,415,955	\$ 1,217,689	\$ 1,805,766
Receivables (net of allowance for uncollectibles):			
Taxes receivable	9,344,378	-	-
Accounts receivable	475,843	3,776	18,428
Due from other governmental units	1,008,207	753,838	-
Prepaid items	29,774	-	-
Other assets:			
Land and improvements held for sale	-	-	2,866,852
Investment in industrial assets	-	-	7,607,011
Notes receivable	-	-	589,776
Net pension asset	-	201,140	-
Capital assets (net of accumulated depreciation):			
Land	4,268,265	25,822	13,194
Buildings and improvements	10,526,022	7,603,717	-
Machinery, equipment, and vehicles	3,755,036	872,545	23,868
Intangibles	117,760	-	-
Total assets	\$ 45,941,240	\$ 10,678,527	\$ 12,924,895
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	\$ 406,728	\$ -	\$ -
Pension related items	1,762,975	3,869,979	36,977
OPEB related items	267,588	402,909	6,815
Total deferred outflows of resources	\$ 2,437,291	\$ 4,272,888	\$ 43,792
<b>LIABILITIES</b>			
Accounts payable	\$ 471,387	\$ 247,991	\$ 51,997
Accrued liabilities	-	902,755	-
Escrow accounts	-	-	3,475
Accrued interest payable	131,392	1,304	-
Unearned revenue	311,713	-	-
Long-term liabilities:			
Due within one year	1,202,021	89,160	-
Due in more than one year	19,727,770	18,625,587	15,608
Total liabilities	\$ 21,844,283	\$ 19,866,797	\$ 71,080
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue-property taxes	\$ 8,601,107	\$ -	\$ -
Pension related items	154,807	2,189,752	-
OPEB related items	25,754	307,282	2,278
Total deferred inflows of resources	\$ 8,781,668	\$ 2,497,034	\$ 2,278
<b>NET POSITION (DEFICIT)</b>			
Net investment in capital assets	\$ 10,316,055	\$ 8,421,892	\$ 7,644,073
Restricted:			
Anti-litter	453	-	-
Electronic summons	71,871	-	-
Law library	24,526	-	-
Drug enforcement	79,740	-	-
Courthouse maintenance	53,660	-	-
Employee benefits - sheriff	13,379	-	-
School activity funds	-	49,019	-
Pension benefits	-	201,140	-
Unrestricted (deficit)	7,192,896	(16,084,467)	5,251,256
Total net position (deficit)	\$ 17,752,580	\$ (7,412,416)	\$ 12,895,329

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, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT:</b>				
Governmental activities:				
General government administration	\$ 2,267,710	\$ 45,133	\$ 689,766	\$ -
Judicial administration	1,981,344	512,766	700,685	-
Public safety	10,814,097	1,853,643	2,752,182	-
Public works	2,148,169	684,565	313,587	-
Health and welfare	3,100,748	-	2,318,830	-
Education	8,097,331	-	313,978	92,152
Parks, recreation, and cultural	432,164	-	54,500	628,800
Community development	1,113,599	1,509	209,566	241,449
Interest on long-term debt	672,560	-	-	-
Total governmental activities	<u>\$ 30,627,722</u>	<u>\$ 3,097,616</u>	<u>\$ 7,353,094</u>	<u>\$ 962,401</u>
<b>COMPONENT UNITS:</b>				
School Board	\$ 22,539,467	\$ 6,678	\$ 15,395,687	\$ -
Industrial Development Authority	979,400	210,024	85,896	-
Total component units	<u>\$ 23,518,867</u>	<u>\$ 216,702</u>	<u>\$ 15,481,583</u>	<u>\$ -</u>

General revenues:

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

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

Exhibit 2

<b>Net (Expense) Revenue and Changes in Net Position</b>			
<b>Primary</b>	<b>Component Units</b>		
<b>Government</b>	<b>School</b>	<b>IDA</b>	
<b>Governmental</b>	<b>Board</b>		
<b>Activities</b>			
\$ (1,532,811)			
(767,893)			
(6,208,272)			
(1,150,017)			
(781,918)			
(7,691,201)			
251,136			
(661,075)			
(672,560)			
<u>\$ (19,214,611)</u>			
	\$ (7,137,102)	\$ -	
	-	(683,480)	
	<u>\$ (7,137,102)</u>	<u>\$ (683,480)</u>	
\$ 16,390,648	\$ -	\$ -	
1,092,613	-	-	
257,548	-	-	
407,291	-	-	
193,329	-	-	
-	8,155,952	-	
130,317	130	8,053	
114,351	407,776	-	
1,807,419	-	-	
<u>\$ 20,393,516</u>	<u>\$ 8,563,858</u>	<u>\$ 8,053</u>	
1,178,905	1,426,756	(675,427)	
16,573,675	(8,839,172)	13,570,756	
<u>\$ 17,752,580</u>	<u>\$ (7,412,416)</u>	<u>\$ 12,895,329</u>	

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## **Fund Financial Statements**



Balance Sheet  
 Governmental Funds  
 June 30, 2021

	General	Virginia Public Assistance	School Debt Service	County Capital Improvements	Other Governmental Funds	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 16,509,229	\$ -	\$ -	\$ -	\$ 51,644	\$ 16,560,873
Receivables (net of allowance for uncollectibles):						
Taxes receivable	9,344,378	-	-	-	-	9,344,378
Accounts receivable	475,843	-	-	-	-	475,843
Due from other funds	224,264	-	-	-	-	224,264
Due from other governmental units	576,800	169,674	-	199,725	62,008	1,008,207
Prepaid items	24,554	-	-	-	5,220	29,774
Total assets	<u>\$ 27,155,068</u>	<u>\$ 169,674</u>	<u>\$ -</u>	<u>\$ 199,725</u>	<u>\$ 118,872</u>	<u>\$ 27,643,339</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 422,030	\$ 6,065	\$ -	\$ 2,450	\$ 40,842	\$ 471,387
Overdraft	-	-	69,175	75,743	-	144,918
Unearned revenue	311,713	-	-	-	-	311,713
Due to other funds	-	163,609	-	-	60,655	224,264
Total liabilities	<u>\$ 733,743</u>	<u>\$ 169,674</u>	<u>\$ 69,175</u>	<u>\$ 78,193</u>	<u>\$ 101,497</u>	<u>\$ 1,152,282</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	\$ 9,327,025	\$ -	\$ -	\$ -	\$ -	\$ 9,327,025
<b>FUND BALANCES</b>						
Nonspendable:						
Prepaid items	\$ 24,554	\$ -	\$ -	\$ -	\$ 5,220	\$ 29,774
Restricted:						
Anti-litter	453	-	-	-	-	453
Electronic summons	71,871	-	-	-	-	71,871
Law library	24,526	-	-	-	-	24,526
Drug enforcement	79,740	-	-	-	-	79,740
Courthouse maintenance	53,660	-	-	-	-	53,660
Employee benefits - sheriff	-	-	-	-	13,379	13,379
Assigned:						
DMV Select	1,402	-	-	-	-	1,402
Other capital projects	-	-	-	121,532	-	121,532
Unassigned:						
General fund	16,838,094	-	-	-	-	16,838,094
Special revenue funds	-	-	-	-	(1,224)	(1,224)
Debt service funds	-	-	(69,175)	-	-	(69,175)
Total fund balances	<u>\$ 17,094,300</u>	<u>\$ -</u>	<u>\$ (69,175)</u>	<u>\$ 121,532</u>	<u>\$ 17,375</u>	<u>\$ 17,164,032</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 27,155,068</u>	<u>\$ 169,674</u>	<u>\$ -</u>	<u>\$ 199,725</u>	<u>\$ 118,872</u>	<u>\$ 27,643,339</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, 2021

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds \$ 17,164,032

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

Land	\$ 4,268,265	
Buildings and improvements	10,526,022	
Machinery, equipment, and vehicles	3,755,036	
Intangibles	<u>117,760</u>	18,667,083

Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds. 725,918

The deferred charge on refunding is to be amortized as interest expense over the life of the debt. 406,728

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

Pension related items	\$ 1,762,975	
OPEB related items	<u>267,588</u>	2,030,563

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	\$ (9,445,001)	
Plus: Premium (discount) on issuance	(481,012)	
General obligation bonds	(3,161,261)	
Plus: Premium on issuance	(18,179)	
Brodnax sewer capacity agreement	(122,304)	
Compensated absences	(648,236)	
Landfill closure/postclosure liability	(665,890)	
Net OPEB liabilities	(1,339,924)	
Net pension liability	(5,047,984)	
Accrued interest payable	<u>(131,392)</u>	(21,061,183)

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

Pension related items	\$ (154,807)	
OPEB related items	<u>(25,754)</u>	<u>(180,561)</u>

Net position of governmental activities \$ 17,752,580

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, 2021

<b>REVENUES</b>	<b>General</b>	<b>Virginia Public Assistance</b>	<b>School Debt Service</b>	<b>County Capital Improvements</b>	<b>Other Govern- mental Funds</b>	<b>Total</b>
General property taxes	\$ 16,502,944	\$ -	\$ -	\$ -	\$ -	\$ 16,502,944
Other local taxes	1,950,781	-	-	-	-	1,950,781
Permits, privilege fees, and regulatory licenses	60,364	-	-	-	-	60,364
Fines and forfeitures	1,645,194	-	-	-	-	1,645,194
Revenue from the use of money and property	116,953	-	13,694	295	(625)	130,317
Charges for services	1,389,692	-	-	-	2,366	1,392,058
Miscellaneous	95,911	7,932	-	-	10,508	114,351
Recovered costs	405,759	-	-	-	500	406,259
Intergovernmental:						
Commonwealth	4,035,461	702,443	-	199,725	374,647	5,312,276
Federal	3,051,773	1,165,851	92,152	41,724	9,138	4,360,638
Total revenues	<u>\$ 29,254,832</u>	<u>\$ 1,876,226</u>	<u>\$ 105,846</u>	<u>\$ 241,744</u>	<u>\$ 396,534</u>	<u>\$ 31,875,182</u>
<b>EXPENDITURES</b>						
Current:						
General government administration	\$ 2,309,616	\$ -	\$ -	\$ -	\$ -	\$ 2,309,616
Judicial administration	1,910,601	-	-	-	-	1,910,601
Public safety	10,333,031	-	-	-	9,534	10,342,565
Public works	2,019,038	-	-	-	36,388	2,055,426
Health and welfare	250,843	2,310,190	-	-	513,367	3,074,400
Education	7,205,760	-	-	-	-	7,205,760
Parks, recreation, and cultural	338,266	-	-	-	-	338,266
Community development	984,405	-	-	-	-	984,405
Capital projects	492,362	-	-	682,378	-	1,174,740
Debt service:						
Principal retirement	2,357,736	-	1,624,843	-	-	3,982,579
Interest and other fiscal charges	365,220	-	197,025	-	-	562,245
Costs of issuance	193,640	-	-	-	-	193,640
Total expenditures	<u>\$ 28,760,518</u>	<u>\$ 2,310,190</u>	<u>\$ 1,821,868</u>	<u>\$ 682,378</u>	<u>\$ 559,289</u>	<u>\$ 34,134,243</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 494,314</u>	<u>\$ (433,964)</u>	<u>\$ (1,716,022)</u>	<u>\$ (440,634)</u>	<u>\$ (162,755)</u>	<u>\$ (2,259,061)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	\$ 4,220	\$ 433,964	\$ 693,200	\$ 24,783	\$ 167,853	\$ 1,324,020
Transfers out	(1,319,800)	-	-	(4,220)	-	(1,324,020)
Issuance of tax-exempt lease bonds	1,645,000	-	-	-	-	1,645,000
Premium on issuance	352,040	-	-	-	-	352,040
Advance refunding of bonds	3,760,000	-	-	-	-	3,760,000
Payment to refunded bond escrow agent	(3,637,433)	-	-	-	-	(3,637,433)
Total other financing sources (uses)	<u>\$ 804,027</u>	<u>\$ 433,964</u>	<u>\$ 693,200</u>	<u>\$ 20,563</u>	<u>\$ 167,853</u>	<u>\$ 2,119,607</u>
Net change in fund balances	\$ 1,298,341	\$ -	\$ (1,022,822)	\$ (420,071)	\$ 5,098	\$ (139,454)
Fund balances - beginning, as restated	15,795,959	-	953,647	541,603	12,277	17,303,486
Fund balances - ending	<u>\$ 17,094,300</u>	<u>\$ -</u>	<u>\$ (69,175)</u>	<u>\$ 121,532</u>	<u>\$ 17,375</u>	<u>\$ 17,164,032</u>

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

Reconciliation of Statement of Revenues,  
Expenditures, and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2021

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

Net change in fund balances - total governmental funds \$ (139,454)

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	\$ 1,794,062	
Depreciation	(1,228,703)	
Adjustment for jointly owned assets	(1,624,843)	
Depreciation adjustment for jointly owned assets	540,582	(568,902)

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

Capital asset donation	\$ 450,000	
Capital asset disposals	246,199	
Depreciation adjustment for disposals	(246,199)	450,000

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. (112,296)

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	\$ 61,849	
Issuance of bonds	(5,405,000)	
Issuance premium	(352,040)	
Payment of principal	7,192,579	
Deferred loss on refunding	427,433	
Increase in landfill closure/postclosure care liability	(6,672)	1,918,149

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	\$ 7,165	
Change in pension related items	(321,189)	
Change in OPEB related items	(76,042)	
Amortization of deferred charge on refunding	(20,706)	
Accrued interest payable	42,180	(368,592)

Change in net position of governmental activities \$ 1,178,905

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

Statement of Fiduciary Net Position  
 Fiduciary Funds  
 June 30, 2021

	<u>Custodial Funds</u>
<b>ASSETS</b>	
<hr/>	
Cash and cash equivalents	\$ 53,213
Total assets	\$ <u>53,213</u>
<b>LIABILITIES</b>	
<hr/>	
Escrow deposits payable	\$ 14,255
Due to other governmental units	162
Total liabilities	\$ <u>14,417</u>
<b>NET POSITION</b>	
<hr/>	
Restricted for:	
Special welfare	\$ 30,296
Performance bond	8,500
Total net position	\$ <u>38,796</u>

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

Statement of Changes in Fiduciary Net Position  
 Fiduciary Funds  
 For the Year Ended June 30, 2021

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	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Special welfare collections	\$ 18,446
Contribution from County	30,000
Sheriff fees	801
Total additions	<u>\$ 49,247</u>
<b>DEDUCTIONS</b>	
Welfare costs	\$ 18,645
Sheriff fees remitted to State	801
Total deductions	<u>\$ 19,446</u>
Net increase (decrease) in fiduciary net position	\$ 29,801
Net position - beginning, as restated	<u>8,995</u>
Net position - ending	<u><u>\$ 38,796</u></u>

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

# COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021

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

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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.

### **A. Description of Government-Wide Financial Statements**

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

### **B. Financial Reporting Entity**

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for general purpose financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present County of Brunswick, Virginia (the primary government) and its component units. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

### **C. Individual Component Unit Disclosures**

*Blended Component Unit.* The County has no blended component units to be included for the fiscal year ended June 30, 2021.

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, 2021.

## COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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#### **C. Individual Component Unit Disclosures: (Continued)**

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

#### **D. Other Related Organizations**

Included in the County's Financial Report: None

Excluded from the County's Financial Report:

##### Jointly Governed Organizations

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

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

##### Meherrin Regional Library

The Meherrin Regional Library is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. The Counties of Brunswick, Greenville and the City of Emporia provide the financial support for the Library and appoint its governing Board, in which is vested the ability to execute contracts and to budget and expend funds. The County appoints five (5) of the ten (10) members of the Board. The County provided \$184,838 in operating funds to the Library in 2021.

##### 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, 2021.

## COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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#### **D. Other Related Organizations: (Continued)**

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

##### Meherrin River Regional Jail Authority

The Authority, created by resolution pursuant to state statute, is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. The Counties of Brunswick, Dinwiddie, and Mecklenburg participate in the Authority. The County Administrator and Sheriff of each participating locality serve on the Authority; however, the Authority is fiscally independent and there is no financial benefit or burden relationship with the participating localities. Therefore, it is not included in the County's financial statements. The regional jail bills each participating locality a per diem rate based upon the number of inmates housed at the facility. The per diem rates include components for both operating and debt service expenses. Brunswick County paid \$2,955,185 to the Jail for the fiscal year ended June 30, 2021.

##### Obtaining of Financial Statements for Jointly Governed Organizations

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

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

#### **E. Basis of Presentation – Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

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

#### **F. Basis of Presentation - Fund Financial Statements**

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

# COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

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

### **G. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

The 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues from general purpose grants received on a reimbursement basis are recognized in the period to which the grant applies. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt as well as expenditures related to compensated absences, claims and judgments, postemployment benefits, and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due.



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

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

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

1. Governmental Funds

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

a. General Fund

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

b. Special Revenue Funds

The Special Revenue Funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The special revenue funds consist of the Virginia Public Assistance Fund, the Airport Commission Fund, the Sheriff's Employee Fund, and the Comprehensive Services Act Fund. The Virginia Public Assistance Fund is the only special revenue fund considered to be a major fund at June 30, 2021.

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, 2021 (Continued)

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

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

#### 2. Fiduciary Funds (Trust and Custodial Funds)

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

#### 3. Component Unit:

The Brunswick County School Board has the following funds:

##### Governmental Funds:

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

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

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

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

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

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

# COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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### **H. Program Revenues**

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

### **I. Budgetary Comparison Schedules**

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

### **J. Budgets and Budgetary Accounting**

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

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department level or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, Comprehensive Services Act Fund, VPA Fund, Airport Fund, the General Capital Projects Fund and the School Debt Service Fund of the primary government and the School Operating Fund, School Cafeteria Fund and School Capital Projects Fund of the School Board.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

## COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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#### **J. Budgets and Budgetary Accounting: (Continued)**

7. Appropriations lapse on June 30, for all county units.
8. All budgetary data presented in the accompanying financial statements is the original budget at June 30. Several supplemental appropriations were necessary during the year and at year end because they were not included in the original budget. Expenditures in the Health and Welfare and Debt Service functions of the General Fund, Debt Service Fund, and the Airport Fund exceeded appropriations at year-end.
9. The expenditure budget is enacted through an annual appropriations ordinance. Appropriations are made at the departmental level for the primary government and at the function level for the School Board. State law requires that if budget amendments exceed 1% of the original adopted budget the Board of Supervisors may legally amend the budget only by following the procedures used in the adoption of the original budget. There were budget amendments during the year that exceeded the 1% limitation, for which a public hearing was held to approve the purchase of property and a building. The Board of Supervisors must approve all appropriations and transfers of appropriated amounts.

#### **K. Cash and Cash Equivalents**

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

#### **L. Investments**

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

#### **M. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans). All other outstanding balances between funds are reported as “advances to/from other funds.”

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$166,200 at June 30, 2021 and is comprised solely of property taxes.

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

**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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**N. Prepaid Items**

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

**O. Capital Assets**

Capital assets are tangible and intangible assets, which include property, plant, and equipment, and are reported in the governmental activities column in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the County and Component Unit School Board as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

As the County and Component Unit School Board construct or acquire capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increases its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

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

Land and construction in progress are not depreciated. The other 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

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

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**P. Compensated Absences**

*Vacation*

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

*Sick Leave*

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

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

**Q. 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.

**R. Fund Balance**

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

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance – amounts 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;

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

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**R. Fund Balance: (Continued)**

- 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.

**S. 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)**

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**T. 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 multiple items that qualify for reporting in this category. One item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. 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 prepaid amounts and is deferred and recognized as an inflow of resources in the period that the amount becomes available. On the accrual basis, real estate taxes levied during the fiscal year but due after June 30<sup>th</sup> and prepaid amounts are reported as deferred inflows of resources. 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.

**U. 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.

**V. 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.



## COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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#### W. Net Position

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

- Net investment in capital assets consists of capital assets, net of accumulated depreciation 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.

#### X. Upcoming Pronouncements

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. 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.

## COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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#### X. 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:

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#### Deposits

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

**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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**Note 2—Deposits and Investments: (Continued)**

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**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, 2021 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, 2021 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.

<b>Rated Debt Investments' Values</b>	
<b>Rated Debt Investments</b>	<b>Ratings</b>
	<b>AAAm</b>
Governmental Activities:	
Local government investment pool	\$ 3,810
	<b>AAAm</b>
Component Unit Industrial Development Authority:	
Local government investment pool	\$ 390,234

**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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**Note 2—Deposits and Investments: (Continued)**

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**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.

<b>Investment Maturities (in years)</b>		
<b>Investment Type</b>	<b>Value</b>	<b>Less Than 1 Year</b>
Governmental Activities:		
Local government investment pool	\$ <u>3,810</u>	\$ <u>3,810</u>
Component Unit Industrial Development Authority:		
Local government investment pool	\$ <u>390,234</u>	\$ <u>390,234</u>

**External Investment Pool**

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

**Note 3—Property Taxes:**

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

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

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

Property taxes for calendar year 2020 were levied by the County Board of Supervisors on May 20, 2020, on the assessed value listed as of January 1, 2020.

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, 2021 (Continued)

**Note 4—Receivables:**

Receivables at June 30, 2021 consist of the following:

	<u>Primary Government</u>		<u>Component Units</u>	
	<u>Governmental Activities</u>		<u>School Board</u>	<u>IDA</u>
	<u>General</u>	<u>Total</u>		
Property taxes	\$ 9,510,578	\$ 9,510,578	\$ -	\$ -
Allowance for uncollectibles	(166,200)	(166,200)	-	-
Net taxes receivable	<u>\$ 9,344,378</u>	<u>\$ 9,344,378</u>	<u>\$ -</u>	<u>\$ -</u>
Accounts receivable:				
Landfill host fees	\$ 126,700	\$ 126,700	\$ -	\$ -
Landfill inspection costs	35,781	35,781	-	-
Utility and consumption taxes	34,983	34,983	-	-
Courthouse security	35,480	35,480	-	-
Court fines	134,510	134,510	-	-
Transport billing services	50,556	50,556	-	-
Expenditure refunds	806	806	2,000	-
Other	57,027	57,027	1,776	18,428
Total accounts receivable	<u>\$ 475,843</u>	<u>\$ 475,843</u>	<u>\$ 3,776</u>	<u>\$ 18,428</u>
Notes receivable:				
Echo World Comm	\$ -	\$ -	\$ -	\$ 85,676
Tsvins, LLC	-	-	-	414,800
Others	-	-	-	89,300
Total leases receivable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 589,776</u>

In applying the concepts of GASB Statement No. 33 in fiscal year 2021, the County changed its accounting method for property taxes by recognizing taxes levied during the current fiscal year and prepaid taxes as part of unavailable taxes.

**Note 5—Intergovernmental and Industrial Agreement—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 were due from the Authority to the County until closing occurred on a sale of property within the RRRBP, at which time there was a proportional repayment (the amount of which is determined under the terms of a negotiated agreement between the Authority and the County). In December 2020, the property was sold and the \$500,000 obligation from the Authority was repaid.

**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

At June 30, 2021, the County had receivables from other governments as follows:

	Governmental Activities			Component Units		
	General	Special Revenue	Capital Projects	Total	School Board	IDA
<b>Commonwealth of Virginia:</b>						
Local sales taxes	\$ 178,474	\$ -	\$ -	\$ 178,474	\$ -	-
State sales taxes	-	-	-	-	309,792	-
Communication sales taxes	48,080	-	-	48,080	-	-
Public assistance	-	69,610	-	69,610	-	-
Comprehensive services	-	62,008	-	62,008	-	-
Shared expenses and grants	176,626	-	-	176,626	-	-
Wireless E911 revenues	12,075	-	-	12,075	-	-
Victim witness	7,187	-	-	7,187	-	-
Emergency services	27,243	-	-	27,243	-	-
Technology	-	-	-	-	250,000	-
DMV commission	12,315	-	-	12,315	-	-
Other	6,937	-	-	6,937	10,859	-
<b>Tobacco Region Revitalization Commission:</b>						
Tobacco grant	-	-	199,725	199,725	-	-
<b>Town of Lawrenceville:</b>						
Utility relief funds	26,952	-	-	26,952	-	-
<b>Federal government:</b>						
Victim witness	21,561	-	-	21,561	-	-
Public assistance	-	100,064	-	100,064	-	-
CDBG funds	5,125	-	-	5,125	-	-
COVID supplement grant	54,225	-	-	54,225	-	-
Title I	-	-	-	-	39,910	-
Title VI-B	-	-	-	-	40,615	-
School improvement	-	-	-	-	29,533	-
Nutrition	-	-	-	-	47,444	-
Other	-	-	-	-	25,685	-
Total	<u>\$ 576,800</u>	<u>\$ 231,682</u>	<u>\$ 199,725</u>	<u>\$ 1,008,207</u>	<u>\$ 753,838</u>	<u>\$ -</u>

**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

**Note 7—Capital Assets:**

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

**Primary Government:**

	<b>Balance July 1, 2020</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2021</b>
Capital assets not being depreciated:				
Land	\$ 3,637,003	\$ 631,262	\$ -	\$ 4,268,265
Total capital assets not being depreciated	\$ 3,637,003	\$ 631,262	\$ -	\$ 4,268,265
Other capital assets:				
Buildings and improvements	\$ 14,587,268	\$ 849,959	\$ -	\$ 15,437,227
Machinery, equipment and vehicles	9,915,263	712,841	246,199	10,381,905
Intangibles	344,214	-	-	344,214
Jointly owned assets	4,786,105	-	1,624,843	3,161,262
Total other capital assets	\$ 29,632,850	\$ 1,562,800	\$ 1,871,042	\$ 29,324,608
Accumulated depreciation:				
Buildings and improvements	\$ 6,408,169	\$ 396,467	\$ -	\$ 6,804,636
Machinery, equipment and vehicles	6,049,890	823,178	246,199	6,626,869
Intangibles	217,396	9,058	-	226,454
Jointly owned assets	1,808,413	99,282	639,864	1,267,831
Total accumulated depreciation	\$ 14,483,868	\$ 1,327,985	\$ 886,063	\$ 14,925,790
Other capital assets, net	\$ 15,148,982	\$ 234,815	\$ 984,979	\$ 14,398,818
Net capital assets	<u>\$ 18,785,985</u>	<u>\$ 866,077</u>	<u>\$ 984,979</u>	<u>\$ 18,667,083</u>
Depreciation is allocated to:				
General government administration		\$ 238,721		
Judicial administration		4,243		
Public safety		674,501		
Public works		157,107		
Health and welfare		24,235		
Education		99,282		
Parks and recreation		92,225		
Community Development		37,671		
Total		<u>\$ 1,327,985</u>		

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.

**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

**Note 7—Capital Assets: (Continued)**

**Component Unit—School Board:**

	<b>Balance July 1, 2020</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2021</b>
Capital assets not being depreciated:				
Land	\$ 25,822	\$ -	\$ -	\$ 25,822
Total capital assets not being depreciated	<u>\$ 25,822</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,822</u>
Other capital assets:				
Buildings and improvements	\$ 11,737,069	\$ -	\$ 10,575	\$ 11,726,494
Machinery, equipment and vehicles	4,830,693	538,353	-	5,369,046
Jointly owned assets	5,284,309	1,624,843	-	6,909,152
Total other capital assets	<u>\$ 21,852,071</u>	<u>\$ 2,163,196</u>	<u>\$ 10,575</u>	<u>\$ 24,004,692</u>
Accumulated depreciation:				
Buildings and improvements	\$ 8,042,920	\$ 176,753	\$ 10,575	\$ 8,209,098
Machinery, equipment and vehicles	4,210,837	285,664	-	4,496,501
Jointly owned assets	1,992,238	830,593	-	2,822,831
Total accumulated depreciation	<u>\$ 14,245,995</u>	<u>\$ 1,293,010</u>	<u>\$ 10,575</u>	<u>\$ 15,528,430</u>
Other capital assets, net	<u>\$ 7,606,076</u>	<u>\$ 870,186</u>	<u>\$ -</u>	<u>\$ 8,476,262</u>
Net capital assets	<u>\$ 7,631,898</u>	<u>\$ 870,186</u>	<u>\$ -</u>	<u>\$ 8,502,084</u>
Depreciation is allocated to education		<u>\$ 1,293,010</u>		

- 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, 2021, is that school financed assets in the amount of \$1,893,431 net are reported in the Primary Government for financial reporting purposes.



COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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**Note 7—Capital Assets: (Continued)**

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**Component Unit-Industrial Development Authority:**

	<b>Balance July 1, 2020</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2021</b>
Capital assets not being depreciated:				
Land	\$ <u>13,194</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>13,194</u>
Other capital assets:				
Machinery, equipment and vehicles	\$ <u>49,434</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>49,434</u>
Total other capital assets	\$ <u>49,434</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>49,434</u>
Accumulated depreciation:				
Machinery, equipment and vehicles	\$ <u>20,600</u>	\$ <u>4,966</u>	\$ <u>-</u>	\$ <u>25,566</u>
Total accumulated depreciation	\$ <u>20,600</u>	\$ <u>4,966</u>	\$ <u>-</u>	\$ <u>25,566</u>
Other capital assets, net	\$ <u>28,834</u>	\$ <u>(4,966)</u>	\$ <u>-</u>	\$ <u>23,868</u>
Net capital assets	\$ <u>42,028</u>	\$ <u>(4,966)</u>	\$ <u>-</u>	\$ <u>37,062</u>
Depreciation is allocated to the Industrial Development Authority			\$ <u>4,966</u>	

**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

**Note 8—Unearned and Unavailable Revenue:**

The government’s unearned and unavailable revenue consist of the following at June 30, 2021:

	<u>Statement of Net Position</u>	<u>Balance Sheet</u>
	<u>Governmental Activities</u>	<u>Governmental Funds</u>
<b>Primary Government:</b>		
Unearned revenue:		
This amount represents the amount of unspent CARES Act funding at year-end.	\$ 311,713	\$ 311,713
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.	\$ -	\$ 725,918
Taxes levied during the fiscal year due in December 2021	8,549,124	8,549,124
Prepaid property taxes due in December 2021, but paid in advance by the taxpayers	<u>51,983</u>	<u>51,983</u>
Total deferred revenue/unavailable revenue	<u>\$ 8,601,107</u>	<u>\$ 9,327,025</u>

In applying the concepts of GASB Statement No. 33 in fiscal year 2021, the County changed its accounting method for property taxes by recognizing taxes levied during the current fiscal year and prepaid taxes as part of unavailable taxes.

**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (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, 2021.

	<u>Balance</u> <u>July 1, 2020</u>	<u>Issuances/</u> <u>Increases</u>	<u>Retirements/</u> <u>Decreases</u>	<u>Balance</u> <u>June 30, 2021</u>
Primary Government:				
Bonds payable (direct borrowings and direct placements):				
Lease revenue bonds	\$ 7,690,001	\$ 5,405,000	\$ 3,650,000	\$ 9,445,001
Premium on issuance	195,347	352,040	56,025	491,362
Discount on issuance	(11,785)	-	(1,435)	(10,350)
General obligation bonds:				
School	3,644,336	-	483,075	3,161,261
Premium on issuance	25,438	-	7,259	18,179
Qualified Zone Academy Bonds	1,141,769	-	1,141,769	-
Total bonds payable	<u>\$ 12,685,106</u>	<u>\$ 5,757,040</u>	<u>\$ 5,336,693</u>	<u>\$ 13,105,453</u>
Capital lease - radio communication network	1,909,000	-	1,909,000	-
Sewer capacity agreement	131,040	-	8,736	122,304
Compensated absences	655,402	-	7,166	648,236
Landfill closure/postclosure liability	659,218	6,672	-	665,890
Net OPEB liabilities	1,277,647	410,849	348,572	1,339,924
Net pension liability	<u>4,147,418</u>	<u>2,282,142</u>	<u>1,381,576</u>	<u>5,047,984</u>
Total obligations from governmental activities	<u>\$ 21,464,831</u>	<u>\$ 8,456,703</u>	<u>\$ 8,991,743</u>	<u>\$ 20,929,791</u>
Component Units:				
School Board				
Capital lease - buses	\$ 159,008	\$ -	\$ 78,816	\$ 80,192
Compensated absences	84,295	5,383	-	89,678
Net OPEB liabilities	2,950,544	769,521	743,587	2,976,478
Net pension liability	14,159,456	6,358,372	4,949,429	15,568,399
Total payable from School Board	<u>\$ 17,353,303</u>	<u>\$ 7,133,276</u>	<u>\$ 5,771,832</u>	<u>\$ 18,714,747</u>
Industrial Development Authority				
Net OPEB liability	\$ 11,554	\$ 9,988	\$ 8,358	\$ 13,184
Net pension liability	-	76,004	73,580	2,424
Total payable from IDA	<u>\$ 11,554</u>	<u>\$ 85,992</u>	<u>\$ 81,938</u>	<u>\$ 15,608</u>
Total obligations from component units	<u>\$ 17,364,857</u>	<u>\$ 7,219,268</u>	<u>\$ 5,853,770</u>	<u>\$ 18,730,355</u>
Total long-term obligations	<u>\$ 38,829,688</u>	<u>\$ 15,675,971</u>	<u>\$ 14,845,513</u>	<u>\$ 39,660,146</u>

Reconciliation to Exhibit 1:

	<u>Component Units</u>			<u>Total</u>
	<u>Primary Government</u>	<u>School Board</u>	<u>Industrial Development Authority</u>	
Long-term liabilities:				
Due within one year	\$ 1,202,021	\$ 89,160	\$ -	\$ 1,291,181
Due in more than one year	<u>19,727,770</u>	<u>18,625,587</u>	<u>15,608</u>	<u>38,368,965</u>
Total long-term obligations	<u>\$ 20,929,791</u>	<u>\$ 18,714,747</u>	<u>\$ 15,608</u>	<u>\$ 39,660,146</u>

**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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**Note 9--Long-Term Obligations: (Continued)**

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**Primary Government:**

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

<b>Year Ending June 30,</b>	<b>Direct Borrowings and Placements</b>		<b>Sewer Agreement</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2021	\$ 1,128,459	\$ 458,252	\$ 8,736	\$ -
2022	1,171,136	415,574	8,736	-
2023	1,238,418	370,501	8,736	-
2024	1,234,776	329,139	8,736	-
2025	1,250,265	291,732	8,736	-
2026-2030	5,052,223	929,385	43,680	-
2031-2035	<u>2,030,176</u>	<u>77,738</u>	<u>34,944</u>	<u>-</u>
Total	\$ <u>13,105,453</u>	\$ <u>2,872,321</u>	\$ <u>122,304</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:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>
2022	\$ <u>80,192</u>	\$ <u>1,423</u>
Total	\$ <u>80,192</u>	\$ <u>1,423</u>

**Debt Refunding:**

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. The net proceeds of the taxable bonds were deposited into an escrow fund to effectively defease \$3,210,000 of the outstanding principal amount of the 2013C Revenue Refunding Bonds. The estimated net present value savings is \$155,310 and \$326,896, respectively.

## COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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#### **Federal Arbitrage Regulations:**

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

#### **Pledged Collateral:**

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

#### **Events of Default:**

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

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

#### **Moral Obligations:**

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

The Member Moral Obligation of the County and other Member Jurisdictions was extended to payment of the Note on the same proportionate basis as such commitment was made to the VRA Bond and the Carter Bank Note. The balance of outstanding debt at June 30, 2021 was \$33,770,000.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (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
<b>Primary Government:</b>							
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	\$ 1,525,000	\$ 125,000
Unamortized premium on Issuance	n/a	n/a	n/a	n/a	245,552	163,494	29,439
Property Acquisition (Adirondack, Airport, Timmons)	2.911%-4.404%	11/14/2018	Annual	10/1/2033	2,015,000	1,805,000	110,000
Unamortized discount on Issuance	n/a	n/a	n/a	n/a	(13,994)	(10,350)	(1,366)
Rt. 58 Infrastructure	.720%-5.121%	11/20/2013	Annual	10/1/2033	5,175,000	710,001	230,000
Taxable lease - refunding	.0561%-2.098%	11/18/2020	Annual	10/1/2033	3,760,000	3,760,000	-
Tax-exempt lease - refunding	2.143%-5.125%	11/18/2020	Annual	10/1/2032	1,645,000	1,645,000	85,000
Unamortized premium on Issuance	n/a	n/a	n/a	n/a	352,040	327,868	51,851
Total lease revenue bonds						\$ 9,926,013	\$ 629,924
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	\$ 258,093	\$ 83,466
Unamortized premium on Issuance	n/a	n/a	n/a	n/a	n/a	2,233	1,231
School bonds	4.225%-5.100%	11/9/2006	Annual	7/15/2016	6,009,753	2,093,168	329,077
Unamortized premium on Issuance	n/a	n/a	n/a	n/a	n/a	15,946	4,763
School bonds	4.25%	* 12/1/2011	Annual	n/a	1,530,000	810,000	80,000
Net general obligation school bonds		* To be refunded by Federal Tax Credit				\$ 3,179,440	\$ 498,537
Other Obligations:							
Town of Broadnax sewer capacity agreement	** n/a	1997	Monthly	6/2035	344,214	\$ 122,304	\$ 8,736
		** To purchase 20,000 gpd of sewer capacity					
Compensated absences	n/a	n/a	n/a	n/a	n/a	648,236	64,824
Landfill closure/postclosure liability	n/a	n/a	n/a	n/a	n/a	665,890	-
Net OPEB liabilities	n/a	n/a	n/a	n/a	n/a	1,339,924	-
Net pension liability	n/a	n/a	n/a	n/a	n/a	5,047,984	-
Total Other Obligations						\$ 7,824,338	\$ 73,560
Total long-term obligations, Primary Government						\$ 20,929,791	\$ 1,202,021
<b>Component Unit School Board:</b>							
Other Obligations:							
Capital lease - buses	1.76%	8/4/2017	Annual	7/26/2021	\$ 394,200	\$ 80,192	\$ 80,192
Compensated absences	n/a	n/a	n/a	n/a	n/a	89,678	8,968
Net OPEB liabilities	n/a	n/a	n/a	n/a	n/a	2,976,478	-
Net pension liability	n/a	n/a	n/a	n/a	n/a	15,568,399	-
Total long-term obligations, Component Unit School Board						\$ 18,714,747	\$ 89,160
<b>Component Unit Industrial Development Authority:</b>							
Other Obligations:							
Net OPEB liability						\$ 13,184	\$ -
Net pension liability						2,424	-
Total Other Obligations						\$ 15,608	\$ -

## COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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### **Note 10—Compensated Absences:**

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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:**

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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.

At June 30, 2021, the School Board had an outstanding contract in the amount of \$159,950 for a roof replacement at Red Oak-Surgeon Elementary School.

### **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:**

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At June 30, 2021, 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, 2021 (Continued)

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

The School Board contributed \$22,500 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 2021. 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:**

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#### ***Plan Description***

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

#### ***Benefit Structures***

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

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



**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (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, 2019 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<b>Primary Government</b>	<b>Component Unit School Board Nonprofessional</b>
Inactive members or their beneficiaries currently receiving benefits	78	42
Inactive members:		
Vested inactive members	17	1
Non-vested inactive members	28	10
Inactive members active elsewhere in VRS	50	7
Total inactive members	95	18
Active members	133	42
Total covered employees	306	102

## COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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### **Note 15—Pension Plans: (Continued)**

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#### ***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, 2021 was 10.84% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$650,024 and \$598,647 for the years ended June 30, 2021 and June 30, 2020, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2021 was 2.08% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$16,175 and \$18,627 for the years ended June 30, 2021 and June 30, 2020, 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, 2020. The total pension liabilities used to calculate the net pension liability and (asset) were determined by an actuarial valuation performed as of June 30, 2019 and rolled forward to the measurement date of June 30, 2020.

**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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**Note 15–Pension Plans: (Continued)**

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**Actuarial Assumptions – General Employees**

The total pension liability for General Employees in the County’s and Component Unit School Board’s (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

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

\* 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, 2021 (Continued)

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**Note 15–Pension Plans: (Continued)**

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**Actuarial Assumptions – General Employees (Continued)**

The actuarial assumptions used in the June 30, 2019 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, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

Inflation	2.50%
Salary increases, including inflation	3.50% – 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, 2021 (Continued)

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**Note 15–Pension Plans: (Continued)**

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**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, 2019 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, 2021 (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:

<b>Asset Class (Strategy)</b>	<b>Long-term Target Asset Allocation</b>	<b>Arithmetic Long-term Expected Rate of Return</b>	<b>Weighted Average Long-term Expected Rate of Return*</b>
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	<u>100.00%</u>		<u>4.64%</u>
		Inflation	<u>2.50%</u>
		Expected arithmetic nominal return*	<u>7.14%</u>

\* The above allocation provides a one-year return of 7.14%. 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%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

***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, 2020, the alternate rate

**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (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, 2020, 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, 2020 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)**

	<b>Primary Government</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) - (b)</b>
Balances at June 30, 2019	\$ 24,644,811	\$ 20,497,393	\$ 4,147,418
Changes for the year:			
Service cost	\$ 646,361	\$ -	\$ 646,361
Interest	1,621,979	-	1,621,979
Differences between expected and actual experience	(102,942)	-	(102,942)
Contributions - employer	-	598,666	(598,666)
Contributions - employee	-	292,487	(292,487)
Net investment income	-	387,481	(387,481)
Benefit payments, including refunds of employee contributions	(1,230,977)	(1,230,977)	-
Administrative expenses	-	(13,339)	13,339
Other changes	-	(463)	463
Net changes	\$ 934,421	\$ 33,855	\$ 900,566
Balances at June 30, 2020	\$ 25,579,232	\$ 20,531,248	\$ 5,047,984

**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

**Note 15—Pension Plans: (Continued)**

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

	<b>Component School Board (nonprofessional)</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) - (b)</b>
Balances at June 30, 2019	\$ 5,351,064	\$ 5,718,746	\$ (367,682)
Changes for the year:			
Service cost	\$ 109,563	\$ -	\$ 109,563
Interest	349,842	-	349,842
Differences between expected and actual experience	(113,209)	-	(113,209)
Contributions - employer	-	19,661	(19,661)
Contributions - employee	-	55,393	(55,393)
Net investment income	-	108,552	(108,552)
Benefit payments, including refunds of employee contributions	(336,440)	(336,440)	-
Administrative expenses	-	(3,827)	3,827
Other changes	-	(125)	125
Net changes	<u>\$ 9,756</u>	<u>\$ (156,786)</u>	<u>\$ 166,542</u>
Balances at June 30, 2020	<u>\$ 5,360,820</u>	<u>\$ 5,561,960</u>	<u>\$ (201,140)</u>

**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:

	<b>Rate</b>		
	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>(5.75%)</b>	<b>(6.75%)</b>	<b>(7.75%)</b>
County Net Pension Liability	\$ 8,543,336	\$ 5,047,984	\$ 2,157,069
Component Unit School Board (nonprofessional) Net Pension Liability (Asset)	\$ 355,988	\$ (201,140)	\$ (675,131)



**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (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, 2021, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$971,232 and \$36,675, respectively. At June 30, 2021, 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	\$ 176,381	\$ 154,807	\$ 7,509	\$ 62,894
Changes of assumptions	317,934	-	18,824	-
Net difference between projected and actual earnings on pension plan investments	618,636	-	165,643	-
Employer contributions subsequent to the measurement date	650,024	-	16,175	-
Total	<u>\$ 1,762,975</u>	<u>\$ 154,807</u>	<u>\$ 208,151</u>	<u>\$ 62,894</u>

\$650,024 and \$16,175 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, 2022. 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)
2022	\$ 254,291	\$ (22,375)
2023	315,146	40,329
2024	191,877	57,428
2025	196,830	53,700
Thereafter	-	-

***Pension Plan Data***

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2020-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, 2021 (Continued)

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### **Note 15—Pension Plans: (Continued)**

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#### **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, 2021 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$1,414,941 and \$1,421,634 for the years ended June 30, 2021 and June 30, 2020, respectively.

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

At June 30, 2021, the school division reported a liability of \$15,568,399 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2020 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2019 and rolled forward to the measurement date of June 30, 2020. 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, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the school division's proportion was .10700% as compared to .10759% at June 30, 2019.

For the year ended June 30, 2021, the school division recognized pension expense of \$1,217,204. 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, 2021 (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, 2021, 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	\$ -	\$ 912,547
Change of assumptions	1,062,738	-
Net difference between projected and actual earnings on pension plan investments	1,184,149	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	1,214,311
Employer contributions subsequent to the measurement date	<u>1,414,941</u>	<u>-</u>
Total	<u>\$ 3,661,828</u>	<u>\$ 2,126,858</u>

\$1,414,941 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, 2022. 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>	
2022	\$ (418,672)
2023	11,829
2024	237,801
2025	310,669
2026	(21,598)

**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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**Note 15—Pension Plans: (Continued)**

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**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, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

Inflation	2.50%
Salary increases, including inflation	3.50% – 5.95%
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, 2021 (Continued)

**Note 15—Pension Plans: (Continued)**

**Component Unit School Board (Professional) (Continued)**

***Actuarial Assumptions: (Continued)***

The actuarial assumptions used in the June 30, 2019 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, 2020, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	<b><u>Teacher Employee Retirement Plan</u></b>
Total Pension Liability	\$ 51,001,855
Plan Fiduciary Net Position	<u>36,449,229</u>
Employers' Net Pension Liability	<u>\$ 14,552,626</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.47%

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, 2021 (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:

	<b>Rate</b>		
	<b>1% Decrease</b>	<b>Current Discount</b>	<b>1% Increase</b>
	<b>(5.75%)</b>	<b>(6.75%)</b>	<b>(7.75%)</b>
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability	\$ 22,842,338	\$ 15,568,399	\$ 9,551,932

***Pension Plan Fiduciary Net Position***

Detailed information about the VRS Teacher Retirement Plan’s Fiduciary Net Position is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2020-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***

	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>	<b>Net Pension Liability (Asset)</b>	<b>Pension Expense</b>
Primary Government:				
VRS Pension Plans	\$ 1,762,975	\$ 154,807	\$ 5,047,984	\$ 971,232
Component Unit School Board:				
VRS Pension Plans:				
School Board Nonprofessional	\$ 208,151	\$ 62,894	\$ (201,140)	\$ 36,675
School Board Professional	3,661,828	2,126,858	15,568,399	1,217,204
Totals	\$ 3,869,979	\$ 2,189,752	\$ 15,367,259	\$ 1,253,879

## COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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### **Note 16—Deferred Compensation Plan:**

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

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

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#### **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 \$8,616 as of June 30, 2021.

## COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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### **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 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2021 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the County, Component Unit School Board (nonprofessional), and Component Unit School Board (professional) were \$34,197 and \$32,258, \$5,952 and \$6,083, and \$47,633 and \$48,583 for the years ended June 30, 2021 and June 30, 2020, 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, 2021, the County, Component Unit School Board (nonprofessional), and Component Unit School Board (professional) reported a liability of \$502,987, \$94,957, and \$757,652, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2020 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, 2019, and rolled forward to the measurement date of June 30, 2020. 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, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the County's, Component Unit School Board (nonprofessional), and Component Unit School Board (professional) proportion was .03014%, .00569%, and .04540%, respectively as compared to .03045%, .00549%, and .04594% at June 30, 2019.

For the year ended June 30, 2021, the County, Component Unit School Board (nonprofessional), and Component Unit School Board (professional) recognized GLI OPEB expense of \$32,619, \$2,599, and \$10,614, 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, 2021 (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, 2021, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b>Primary Government</b>		
Differences between expected and actual experience	\$ 32,262	\$ 4,517
Net difference between projected and actual earnings on GLI OPEB plan investments	15,109	-
Change of assumptions	25,155	10,503
Changes in proportionate share	49,420	3,956
Employer contributions subsequent to the measurement date	34,197	-
Total	<u>\$ 156,143</u>	<u>\$ 18,976</u>
<b>School Board - Nonprofessional</b>		
Differences between expected and actual experience	\$ 6,091	\$ 852
Net difference between projected and actual earnings on GLI OPEB plan investments	2,852	-
Change of assumptions	4,749	1,983
Changes in proportionate share	2,552	6,437
Employer contributions subsequent to the measurement date	5,952	-
Total	<u>\$ 22,196</u>	<u>\$ 9,272</u>
<b>School Board - Professional</b>		
Differences between expected and actual experience	\$ 48,596	\$ 6,804
Net difference between projected and actual earnings on GLI OPEB plan investments	22,759	-
Change of assumptions	37,891	15,820
Changes in proportionate share	-	73,236
Employer contributions subsequent to the measurement date	47,633	-
Total	<u>\$ 156,879</u>	<u>\$ 95,860</u>

**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (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)***

\$34,197, \$5,952, and \$47,633 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>Primary Government</u>	<u>School Board (nonprofessional)</u>	<u>School Board (professional)</u>
2022	\$ 21,014	\$ 408	\$ (6,866)
2023	25,281	1,214	(439)
2024	27,816	1,949	5,922
2025	23,537	2,330	12,351
2026	5,212	904	2,291
Thereafter	110	167	127

***Actuarial Assumptions***

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

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

\*Administrative expenses as a percent of the fair 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, 2021 (Continued)

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**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, 2019 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, 2021 (Continued)

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**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, 2019 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, 2021 (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, 2019 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, 2020, NOL amounts for the GLI Plan are follows (amounts expressed in thousands):

		<b>GLI OPEB Plan</b>
		<hr/>
Total GLI OPEB Liability	\$	3,523,937
Plan Fiduciary Net Position		1,855,102
GLI Net OPEB Liability (Asset)	\$	<hr/> <hr/> 1,668,835
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		52.64%

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, 2021 (Continued)

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

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

##### ***Plan Description***

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

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

##### ***Eligible Employees***

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

##### ***Benefit Amounts***

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

##### ***HIC Plan Notes***

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

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

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

***Contributions***

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2021 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$106,733 and \$112,059 for the years ended June 30, 2021 and June 30, 2020, 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, 2021, the school division reported a liability of \$1,389,571 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, 2020 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, 2019 and rolled forward to the measurement date of June 30, 2020. 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, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the school division's proportion of the VRS Teacher Employee HIC Plan was .10652% as compared to .10730% at June 30, 2019.

For the year ended June 30, 2021, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$84,060. 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, 2021 (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, 2021, 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	\$	\$ 18,558
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	6,158	-
Change of assumptions	27,470	7,592
Changes in proportionate share	-	151,275
Employer contributions subsequent to the measurement date	<u>106,733</u>	<u>-</u>
Total	<u>\$ 140,361</u>	<u>\$ 177,425</u>

\$106,733 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, 2022. 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:

**Year Ended June 30**

2022	\$	(29,737)
2023		(29,127)
2024		(29,331)
2025		(27,422)
2026		(19,401)
Thereafter		(8,779)



**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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**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, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

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

\*Administrative expenses as a percent of the fair 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, 2021 (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, 2019 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, 2020, NOL amounts for the VRS Teacher Employee HIC Plan is as follows (amounts expressed in thousands):

	<b>Teacher Employee HIC OPEB Plan</b>
Total Teacher Employee HIC OPEB Liability	\$ 1,448,676
Plan Fiduciary Net Position	144,160
Teacher Employee HIC Net OPEB Liability (Asset)	<u>\$ 1,304,516</u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability	9.95%

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, 2021 (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:

<b>Asset Class (Strategy)</b>	<b>Long-term Target Asset Allocation</b>	<b>Arithmetic Long-term Expected Rate of Return</b>	<b>Weighted Average Long-term Expected Rate of Return*</b>
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
<b>Total</b>	<b>100.00%</b>		<b>4.64%</b>
		Inflation	2.50%
		Expected arithmetic nominal return*	<b>7.14%</b>

\*The above allocation provides a one-year return of 7.14%. 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%. On October 10, 2019, 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. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (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, 2020, 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, 2020 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	\$ 661,215	\$ 502,987	\$ 374,491
School Board (nonprofessional)	124,828	94,957	70,699
School Board (professional)	995,992	757,652	564,098

	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	\$ 1,555,480	\$ 1,389,571	\$ 1,248,561

**GLI and HIC Plans' Fiduciary Net Position**

Detailed information about the GLI and HIC Plans' Fiduciary Net Position is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2020-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, 2021 (Continued)

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

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***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, 2019 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	<u>42</u>
Total covered employees	<u><u>56</u></u>

**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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**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, 2021 was .56% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate 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 \$6,173 and \$6,317 for the years ended June 30, 2021 and June 30, 2020, respectively.

**Net HIC OPEB Liability**

The School Board’s net Health Insurance Credit OPEB liability was measured as of June 30, 2020. The total Health Insurance Credit OPEB liability was determined by an actuarial valuation performed as of June 30, 2019, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

**Actuarial Assumptions**

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

Inflation	2.50%
Salary increases, including inflation:	
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 fair 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, 2021 (Continued)

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

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**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, 2019 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, 2021 (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:

<b>Asset Class (Strategy)</b>	<b>Long-term Target Asset Allocation</b>	<b>Arithmetic Long-term Expected Rate of Return</b>	<b>Weighted Average Long-term Expected Rate of Return*</b>
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
<b>Total</b>	<b>100.00%</b>		<b>4.64%</b>
		Inflation	2.50%
		Expected arithmetic nominal return*	<b>7.14%</b>

\*The above allocation provides a one-year return of 7.14%. 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%. On October 10, 2019, 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. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

***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, 2020, 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, 2020 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, 2021 (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, 2019	\$ 105,842	\$ 52,308	\$ 53,534
Changes for the year:			
Service cost	\$ 1,820	\$ -	\$ 1,820
Interest	6,906	-	6,906
Changes in benefit terms	3,788	-	3,788
Differences between expected and actual experience	(4,619)	-	(4,619)
Contributions - employer	-	6,317	(6,317)
Net investment income	-	1,038	(1,038)
Benefit payments	(7,057)	(7,057)	-
Administrative expenses	-	(99)	99
Net changes	\$ 838	\$ 199	\$ 639
Balances at June 30, 2020	\$ 106,680	\$ 52,507	\$ 54,173

**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	\$ 63,800	\$ 54,173	\$ 45,518

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (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, 2021, the School Board recognized HIC Plan OPEB expense of \$3,697. At June 30, 2021, 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	\$ -	\$ 12,119
Net difference between projected and actual earnings on HIC OPEB plan investments	1,725	-
Change of assumptions	1,156	419
Employer contributions subsequent to the measurement date	<u>6,173</u>	<u>-</u>
Total	<u>\$ 9,054</u>	<u>\$ 12,538</u>

\$6,173 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2022	\$ (5,069)
2023	(3,824)
2024	(1,154)
2025	390

***HIC Plan Data***

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2020-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, 2021 (Continued)

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

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#### ***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:

	<b>Primary Government</b>	<b>School Board</b>
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, 2021 was \$25,434 and \$40,814, respectively.

#### ***Total OPEB Liability***

The County and School Board's total OPEB liability was measured as of June 30, 2021. 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, 2021 (Continued)

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

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#### *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, 2020 and 2021
Salary Increases	The salary increase rate starts at 5.35% salary increase for 1 year of service and gradually declines to 3.50% salary increase for 20 or more years of service for County and nonprofessional School Board employees. The rate for professional School Board employees starts at 5.95% and gradually declines to 3.50%.
Discount Rate	2.21% as of June 30, 2020 and 2.16% as of June 30, 2021

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, 2021 was selected.

**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

**Discount Rate**

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

**Changes in Total OPEB Liability**

	<u>Primary Government</u> <u>Total OPEB Liability</u>	<u>School Board</u> <u>Total OPEB Liability</u>
Balances at June 30, 2019	\$ 782,144	\$ 655,444
Changes for the year:		
Service cost	\$ 58,255	\$ 48,436
Interest	18,293	15,105
Changes in assumptions	3,679	1,954
Benefit payments	(25,434)	(40,814)
Net changes	\$ 54,793	\$ 24,681
Balances at June 30, 2020	<u>\$ 836,937</u>	<u>\$ 680,125</u>

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

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

	<u>1% Decrease</u> <u>(1.16%)</u>	<u>Current Discount</u> <u>Rate (2.16%)</u>	<u>1% Increase</u> <u>(3.16%)</u>
Primary Government	\$ 913,415	\$ 836,937	\$ 766,170
School Board	719,369	680,125	641,403

**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (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):

	<b>Rates</b>		
	<b>1% Decrease</b>	<b>Healthcare Cost Trend</b>	<b>1% Increase</b>
Primary Government	\$ 714,593	\$ 836,937	\$ 984,534
School Board	598,330	680,125	775,731

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

For the year ended June 30, 2021, the County and School Board recognized OPEB expense in the amount of \$103,124 and \$79,937, respectively. At June 30, 2021, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Primary Government</b>		<b>School Board</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 13,598	\$ -	\$ -	\$ 9,513
Changes of assumptions	97,847	6,778	74,419	2,674
Total	<u>\$ 111,445</u>	<u>\$ 6,778</u>	<u>\$ 74,419</u>	<u>\$ 12,187</u>

COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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***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>
2022	\$	26,576	\$	16,396
2023		26,576		15,892
2024		25,758		15,762
2025		25,757		14,182

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, 2021 was \$36,708.

**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

**Primary Government and Component Unit School Board**

***Aggregate OPEB Information***

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net OPEB Liabilities (Asset)</u>	<u>OPEB Expense</u>
OPEB Plans:				
Primary Government:				
GLI	\$ 156,143	\$ 18,976	\$ 502,987	\$ 32,619
Retiree Medical	111,445	6,778	836,937	103,124
Totals	<u>\$ 267,588</u>	<u>\$ 25,754</u>	<u>\$ 1,339,924</u>	<u>\$ 135,743</u>
Component Unit School Board:				
GLI	\$ 22,196	\$ 9,272	\$ 94,957	\$ 2,599
Teacher GLI	156,879	95,860	757,652	10,614
HIC	9,054	12,538	54,173	3,697
Teacher HIC	140,361	177,425	1,389,571	84,060
Retiree Medical	74,419	12,187	680,125	79,937
Totals	<u>\$ 402,909</u>	<u>\$ 307,282</u>	<u>\$ 2,976,478</u>	<u>\$ 180,907</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, 2021 (Continued)

**Note 21—Interfund Balances and Transfers:**

Interfund balances and transfers for the year ended June 30, 2021, consisted of the following:

	<u>Due To</u>		<u>Due From</u>		<u>Net</u>
Primary Government:					
General Fund	\$ -	\$	224,264	\$	(224,264)
VPA Fund	163,609		-		163,609
CSA Fund	60,655		-		60,655
Total Primary Government	<u>\$ 224,264</u>	<u>\$</u>	<u>224,264</u>	<u>\$</u>	<u>-</u>

	<u>Transfers In</u>		<u>Transfers Out</u>		<u>Net</u>
Primary Government:					
General Fund	\$ 4,220	\$	1,319,800	\$	(1,315,580)
VPA Fund	433,964		-		433,964
Debt Service Fund	693,200		-		693,200
Capital Projects Fund	24,783		4,220		20,563
Airport Fund	35,706		-		35,706
CSA Fund	132,147		-		132,147
Total Primary Government	<u>\$ 1,324,020</u>	<u>\$</u>	<u>1,324,020</u>	<u>\$</u>	<u>-</u>

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

**Note 22—Landfill Closure and Postclosure Care Cost:**

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

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used at each balance sheet date. The \$665,890 reported as landfill postclosure care liability at June 30, 2021 represents the estimated remaining amount of postclosure monitoring costs required, including corrective action costs of \$374,271 required by the Department of Environmental Quality. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County intends to fund future costs from funds accumulated for this purpose in the General Fund.

**COUNTY OF BRUNSWICK, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

**Note 23—Adoption of Accounting Principle**

The County implemented provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities* during the fiscal year ended June 30, 2021. This statement 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 implementation of this Statement resulted in the following restatement of net position:

	<u>Beginning Balance, at June 30, 2020</u>	<u>Implementation of GASB 84</u>	<u>Beginning Balance, as Restated</u>
<b>Primary Government</b>			
Governmental Activities Net Position	\$ <u>16,564,136</u>	\$ <u>9,539</u>	\$ <u>16,573,675</u>
Special Revenue Fund:			
Sheriff's Employee Fund	\$ <u>-</u>	\$ <u>9,539</u>	\$ <u>9,539</u>
Fiduciary Activities:			
Custodial Funds	\$ <u>-</u>	\$ <u>8,995</u>	\$ <u>8,995</u>
<b>Discretely Presented Component Unit - School Board</b>			
School Board Net Position	\$ <u>(8,902,953)</u>	\$ <u>63,781</u>	\$ <u>(8,839,172)</u>
Nonmajor Special Revenue Fund:			
School Activity Funds	\$ <u>-</u>	\$ <u>63,781</u>	\$ <u>63,781</u>

## COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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### **Note 24—Subsequent Events**

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#### **COVID-19 Pandemic and Related Funding**

The COVID-19 pandemic and its impact on operations continues to evolve. Specific to the County, COVID-19 impacted various parts of its 2021 operations and financial results including, but not limited to, costs for emergency preparedness and shortages of personnel. Federal relief has been received through various programs. Management believes the County is taking appropriate actions to mitigate the negative impact. The extent to which COVID-19 may impact operations in subsequent years remains uncertain, and management is unable to estimate the effects on future results of operations, financial condition, or liquidity for fiscal year 2022.

#### **CARES Act Funding**

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, which included direct aid for state and local governments from the federal Coronavirus Relief Fund (CRF).

Each locality received its CRF allocations based on population in two equal payments, with the second and final round of funding being received during fiscal year 2021. The County received total CRF funding of \$2,832,184, as well as CRF broadband funding of \$355,126, and CRF utility funding of \$28,236. In addition, the School Board received CRF funding from the Virginia Department of Education in the amount of \$251,318. As a condition of receiving CRF funds, any funds unexpended as of December 31, 2021 were to be returned to the federal government. Unspent CRF funds in the amount of \$311,713 are reported as unearned revenue as of June 30, of which all but \$26,952 were spent by the December 31<sup>st</sup> deadline. The remainder was returned from the Town of Lawrenceville and remitted back to the State in fiscal year 2022.

#### **ARPA Funding**

On March 11, 2021, the American Rescue Plan (ARPA) Act of 2021 was passed by the federal government. A primary component of the ARPA was the establishment of the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF). Local governments are to receive funds in two tranches, with 50% provided beginning in May 2021 and the balance delivered approximately 12 months later.

On July 22, 2021, the County received its share of the first half of the CSLFRF funds in the amount of \$1,576,340. As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government.

#### **ESF Funding**

The CARES Act also established the Education Stabilization Fund (ESF) and allocated \$30.75 billion to the U.S. Department of Education. The ESF is composed of three primary emergency relief funds: (1) a Governor's Emergency Education Relief (GEER) Fund, (2) an Elementary and Secondary School Emergency Relief (ESSER) Fund, and (3) a Higher Education Emergency Relief (HEER) Fund. The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA Act) was signed into law on December 27, 2020 and added \$81.9 billion to the ESF. In March 2021, the American Rescue Plan Act (ARP Act), in support of ongoing state and institutional COVID-19 recovery efforts, added more than \$170 billion to the ESF. The School Board is receiving this funding from the Virginia Department of Education on a reimbursement basis.

## COUNTY OF BRUNSWICK, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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### **Note 24–Subsequent Events: (Continued)**

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#### **Other Subsequent Events**

On August 18, 2021, the Board approved a lease agreement for the James Solomon Russell-Saint Paul's College Museum and Archives and a lease agreement with Scotts Company to lease the former Fiberight building.

On September 15, 2021, the Board Voted to use \$2,267,457.76 of the ARPA funds as Brunswick County's local match for the regional VATI grant application for universal broadband.

On February 7, 2022, the board accepted bids to sell timber on two tracts of land for \$252,874 from Robert E. Carroll Logging, Inc. and for \$470,342 from West Fraser Timber Co., Ltd.

On February 16, 2022, a supplemental appropriation of \$693,251 was approved for the Emergency Connectivity Fund Grant to be used by the School Board for equipment purchases prior to June 30, 2022.

On March 16, 2022, the County authorized the Township Road Rehabilitation Project CDBG grant application in the amount of \$1,250,000.

On April 20, 2022, the County announced receipt of a \$319,725 Emergency Shelter Upgrade Assistance VDEM grant to fund installation of a generator at the Brunswick County Conference Center, creating a proper Emergency Shelter for citizens during emergency events. The grant will provide \$220,610 in state funds with a local match of \$99,115.

On May 7, 2022, the County closed on the issuance of \$53,500,000 school bonds through the VPSA at a premium of \$2,829,734. Annual principal payments will range from \$900,000 to \$3,110,000 beginning July 15, 2023 through July 15, 2051 at interest rates ranging from 3.550% to 5.050% through the life of the bonds.

## **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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
General property taxes	\$ 15,687,000	\$ 15,687,000	\$ 16,502,944	\$ 815,944
Other local taxes	1,475,000	1,475,000	1,950,781	475,781
Permits, privilege fees, and regulatory licenses	70,600	70,600	60,364	(10,236)
Fines and forfeitures	1,375,475	1,450,475	1,645,194	194,719
Revenue from the use of money and property	45,900	45,900	116,953	71,053
Charges for services	782,750	782,750	1,389,692	606,942
Miscellaneous	30,000	40,000	95,911	55,911
Recovered costs	290,345	307,549	405,759	98,210
Intergovernmental:				
Commonwealth	3,935,778	4,046,522	4,035,461	(11,061)
Federal	125,157	3,451,408	3,051,773	(399,635)
Total revenues	\$ 23,818,005	\$ 27,357,204	\$ 29,254,832	\$ 1,897,628
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 1,792,388	\$ 2,409,530	\$ 2,309,616	\$ 99,914
Judicial administration	1,797,626	1,972,817	1,910,601	62,216
Public safety	8,960,032	10,748,263	10,333,031	415,232
Public works	2,014,516	2,041,775	2,019,038	22,737
Health and welfare	191,776	221,776	250,843	(29,067)
Education	6,782,919	7,567,919	7,205,760	362,159
Parks, recreation, and cultural	347,726	386,126	338,266	47,860
Community development	640,220	1,374,254	984,405	389,849
Capital projects	7,500	544,332	492,362	51,970
Debt service:				
Principal retirement	570,736	570,736	2,357,736	(1,787,000)
Interest and other fiscal charges	395,546	395,546	365,220	30,326
Costs of issuance	-	-	193,640	(193,640)
Total expenditures	\$ 23,500,985	\$ 28,233,074	\$ 28,760,518	\$ (527,444)
Excess (deficiency) of revenues over (under) expenditures	\$ 317,020	\$ (875,870)	\$ 494,314	\$ 1,370,184
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ 4,220	\$ 4,220
Transfers out	(1,678,367)	(2,000,332)	(1,319,800)	680,532
Issuance of tax-exempt lease bonds	-	-	1,645,000	1,645,000
Premium on issuance	-	-	352,040	352,040
Advance refunding of bonds	-	-	3,760,000	3,760,000
Payment to refunded bond escrow agent	-	-	(3,637,433)	(3,637,433)
Total other financing sources (uses)	\$ (1,678,367)	\$ (2,000,332)	\$ 804,027	\$ 2,804,359
Net change in fund balances	\$ (1,361,347)	\$ (2,876,202)	\$ 1,298,341	\$ 4,174,543
Fund balances - beginning	-	1,514,855	15,795,959	14,281,104
Fund balances - ending	\$ (1,361,347)	\$ (1,361,347)	\$ 17,094,300	\$ 18,455,647

Virginia Public Assistance Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ 7,932	\$ 7,932
Intergovernmental:				
Commonwealth	536,039	536,039	702,443	166,404
Federal	1,254,111	1,254,111	1,165,851	(88,260)
Total revenues	\$ 1,790,150	\$ 1,790,150	\$ 1,876,226	\$ 86,076
<b>EXPENDITURES</b>				
Current:				
Health and welfare	\$ 2,316,298	\$ 2,316,298	\$ 2,310,190	\$ 6,108
Total expenditures	\$ 2,316,298	\$ 2,316,298	\$ 2,310,190	\$ 6,108
Excess (deficiency) of revenues over (under) expenditures	\$ (526,148)	\$ (526,148)	\$ (433,964)	\$ 92,184
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 526,148	\$ 526,148	\$ 433,964	\$ (92,184)
Total other financing sources (uses)	\$ 526,148	\$ 526,148	\$ 433,964	\$ (92,184)
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

Schedule of Changes in Net Pension Liability and Related Ratios  
 Primary Government  
 For the Measurement Dates of June 30, 2014 through June 30, 2020

	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>							
Service cost	\$ 646,361	\$ 549,592	\$ 508,828	\$ 502,660	\$ 484,174	\$ 473,347	\$ 467,394
Interest	1,621,979	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	(102,942)	419,663	(578,884)	146,436	(562,777)	(69,392)	-
Benefit payments	(1,230,977)	(852,327)	(846,407)	(989,263)	(964,149)	(825,649)	(988,461)
<b>Net change in total pension liability</b>	\$ 934,421	\$ 2,400,654	\$ 571,032	\$ 1,037,714	\$ 343,908	\$ 906,368	\$ 748,875
<b>Total pension liability - beginning</b>	24,644,811	22,244,157	21,673,125	20,635,411	20,291,503	19,385,135	18,636,260
<b>Total pension liability - ending (a)</b>	\$ 25,579,232	\$ 24,644,811	\$ 22,244,157	\$ 21,673,125	\$ 20,635,411	\$ 20,291,503	\$ 19,385,135
<b>Plan fiduciary net position</b>							
Contributions - employer	\$ 598,666	\$ 582,420	\$ 556,887	\$ 508,505	\$ 618,450	\$ 584,255	\$ 589,542
Contributions - employee	292,487	284,276	255,282	237,909	229,606	212,328	225,352
Net investment income	387,481	1,295,345	1,329,783	1,961,325	282,280	706,070	2,117,435
Benefit payments	(1,230,977)	(852,327)	(846,407)	(989,263)	(964,149)	(825,649)	(988,461)
Administrator charges	(13,339)	(12,452)	(11,293)	(11,310)	(9,895)	(9,546)	(11,445)
Other	(463)	(818)	(1,192)	(1,751)	(118)	(148)	111
<b>Net change in plan fiduciary net position</b>	\$ 33,855	\$ 1,296,444	\$ 1,283,060	\$ 1,705,415	\$ 156,174	\$ 667,310	\$ 1,932,534
<b>Plan fiduciary net position - beginning</b>	20,497,393	19,200,949	17,917,889	16,212,484	16,056,310	15,389,000	13,456,466
<b>Plan fiduciary net position - ending (b)</b>	\$ 20,531,248	\$ 20,497,393	\$ 19,200,949	\$ 17,917,899	\$ 16,212,484	\$ 16,056,310	\$ 15,389,000
<b>County's net pension liability - ending (a) - (b)</b>	\$ 5,047,984	\$ 4,147,418	\$ 3,043,208	\$ 3,755,226	\$ 4,422,927	\$ 4,235,193	\$ 3,996,135
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	80.27%	83.17%	86.32%	82.67%	78.57%	79.13%	79.39%
<b>Covered payroll</b>	\$ 6,197,570	\$ 5,953,521	\$ 5,308,791	\$ 4,804,488	\$ 4,525,045	\$ 4,266,100	\$ 4,238,853
<b>County's net pension liability as a percentage of covered payroll</b>	81.45%	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, 2020

	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>							
Service cost	\$ 109,563	\$ 113,303	\$ 113,271	\$ 112,010	\$ 114,274	\$ 125,267	\$ 126,969
Interest	349,842	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	(113,209)	51,681	(310,220)	(2,596)	(339,911)	(256,496)	-
Benefit payments	(336,440)	(298,551)	(332,012)	(268,970)	(321,035)	(254,997)	(266,377)
<b>Net change in total pension liability</b>	\$ 9,756	\$ 336,553	\$ (177,164)	\$ 136,778	\$ (190,715)	\$ (26,129)	\$ 205,879
<b>Total pension liability - beginning</b>	5,351,064	5,014,511	5,191,675	5,054,897	5,245,612	5,271,741	5,065,862
<b>Total pension liability - ending (a)</b>	\$ 5,360,820	\$ 5,351,064	\$ 5,014,511	\$ 5,191,675	\$ 5,054,897	\$ 5,245,612	\$ 5,271,741
<b>Plan fiduciary net position</b>							
Contributions - employer	\$ 19,661	\$ 18,627	\$ 42,055	\$ 43,960	\$ 98,666	\$ 99,529	\$ 107,370
Contributions - employee	55,393	50,809	53,456	54,812	54,489	55,202	58,609
Net investment income	108,552	364,341	394,511	600,894	84,919	225,262	684,923
Benefit payments	(336,440)	(298,551)	(332,012)	(268,970)	(321,035)	(254,997)	(266,377)
Administrator charges	(3,827)	(3,767)	(3,532)	(3,561)	(3,216)	(3,139)	(3,744)
Other	(125)	(228)	(347)	(531)	(37)	(46)	36
<b>Net change in plan fiduciary net position</b>	\$ (156,786)	\$ 131,231	\$ 154,131	\$ 426,604	\$ (86,214)	\$ 121,811	\$ 580,817
<b>Plan fiduciary net position - beginning</b>	5,718,746	5,587,515	5,433,384	5,006,780	5,092,994	4,971,183	4,390,366
<b>Plan fiduciary net position - ending (b)</b>	\$ 5,561,960	\$ 5,718,746	\$ 5,587,515	\$ 5,433,384	\$ 5,006,780	\$ 5,092,994	\$ 4,971,183
<b>School Division's net pension liability (asset) - ending (a) - (b)</b>	\$ (201,140)	\$ (367,682)	\$ (573,004)	\$ (241,709)	\$ 48,117	\$ 152,618	\$ 300,558
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	103.75%	106.87%	111.43%	104.66%	99.05%	97.09%	94.30%
<b>Covered payroll</b>	\$ 1,169,886	\$ 1,070,702	\$ 1,114,681	\$ 1,130,833	\$ 1,112,779	\$ 1,116,354	\$ 1,172,159
<b>School Division's net pension liability (asset) as a percentage of covered payroll</b>	-17.19%	-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, 2020

	<u>2020</u>	<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	0.10700%	0.10759%	0.11508%	0.12224%	0.12449%	0.12561%	0.13337%
Employer's Proportionate Share of the Net Pension Liability	\$ 15,568,399	\$ 14,159,456	\$ 13,534,000	\$ 15,033,000	\$ 17,447,000	\$ 15,810,000	\$ 16,117,000
Employer's Covered Payroll	9,338,277	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	166.72%	157.33%	145.48%	155.69%	183.83%	164.85%	165.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.47%	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, 2012 through June 30, 2021

<u>Date</u>	<u>Contractually Required Contribution (1)</u>	<u>Contributions in Relation to Contractually Required Contribution (2)</u>	<u>Contribution Deficiency (Excess) (3)</u>	<u>Employer's Covered Payroll (4)</u>	<u>Contributions as a % of Covered Payroll (5)</u>
<b>Primary Government</b>					
2021	\$ 650,024	\$ 650,024	\$ -	\$ 6,330,077	10.27%
2020	598,647	598,647	-	6,197,570	9.66%
2019	582,417	582,417	-	5,953,521	9.78%
2018	556,442	556,442	-	5,308,791	10.48%
2017	508,504	508,504	-	4,804,488	10.58%
2016	623,099	623,099	-	4,525,045	13.77%
2015	587,442	587,442	-	4,266,100	13.77%
2014	589,624	589,624	-	4,238,853	13.91%
2013	574,087	574,087	-	4,127,150	13.91%
2012	508,923	508,923	-	4,276,665	11.90%
<b>Component Unit School Board (nonprofessional)</b>					
2021	\$ 16,175	\$ 16,175	\$ -	\$ 1,102,262	1.47%
2020	18,627	18,627	-	1,169,886	1.59%
2019	18,019	18,019	-	1,070,702	1.68%
2018	43,035	43,035	-	1,114,681	3.86%
2017	45,742	45,742	-	1,130,833	4.04%
2016	99,816	99,816	-	1,112,779	8.97%
2015	100,137	100,137	-	1,116,354	8.97%
2014	107,369	107,369	-	1,172,158	9.16%
2013	110,096	110,096	-	1,201,924	9.16%
2012	70,493	70,493	-	1,157,512	6.09%
<b>Component Unit School Board (professional)</b>					
2021	\$ 1,414,941	\$ 1,414,941	\$ -	\$ 8,820,936	16.04%
2020	1,421,634	1,421,634	-	9,338,277	15.22%
2019	1,378,861	1,378,861	-	8,999,734	15.32%
2018	1,544,432	1,544,432	-	9,303,038	16.60%
2017	1,360,944	1,360,944	-	9,655,949	14.09%
2016	1,145,347	1,145,347	-	9,490,744	12.07%
2015	1,349,364	1,349,364	-	9,590,362	14.07%
2014	1,137,154	1,137,154	-	9,752,607	11.66%
2013	1,271,202	1,271,202	-	10,902,247	11.66%
2012	640,889	640,889	-	10,124,629	6.33%

Notes to Required Supplementary Information  
 VRS Pension Plans  
 For the Year Ended June 30, 2021

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

**Changes of assumptions** – The actuarial assumptions used in the June 30, 2019 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, 2020

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)
<b>Group Life Insurance (GLI) Plan</b>					
<b>Primary Government</b>					
2020	0.03014% \$	502,987 \$	6,203,514	8.11%	52.64%
2019	0.03045%	495,503	5,969,368	8.30%	52.00%
2018	0.02813%	427,000	5,348,681	7.98%	51.22%
2017	0.02605%	393,000	4,804,488	8.18%	48.86%
<b>Component Unit School Board (nonprofessional)</b>					
2020	0.00569% \$	94,957 \$	1,169,886	8.12%	52.64%
2019	0.00549%	89,337	1,076,646	8.30%	52.00%
2018	0.00591%	90,000	1,123,835	8.01%	51.22%
2017	0.00617%	93,000	1,138,466	8.17%	48.86%
<b>Component Unit School Board (professional)</b>					
2020	0.04540% \$	757,652 \$	9,342,928	8.11%	52.64%
2019	0.04594%	747,567	9,006,358	8.30%	52.00%
2018	0.04896%	743,000	9,309,849	7.98%	51.22%
2017	0.05247%	790,000	9,677,754	8.16%	48.86%
<b>Teacher Employee Health Insurance Credit (HIC) Plan</b>					
<b>Component Unit School Board (professional)</b>					
2020	0.10652% \$	1,389,571 \$	9,338,277	14.88%	9.95%
2019	0.10730%	1,404,662	8,999,734	15.61%	8.97%
2018	0.11491%	1,459,000	9,293,614	15.70%	8.08%
2017	0.12248%	1,553,000	9,665,747	16.07%	7.04%

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

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, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total HIC OPEB Liability</b>				
Service cost	\$ 1,820	\$ 1,807	\$ 1,944	\$ 2,026
Interest	6,906	7,787	7,897	7,906
Changes of benefit terms	3,788	-	-	-
Differences between expected and actual experience	(4,619)	(13,749)	(4,184)	-
Changes of assumptions	-	2,202	-	(3,475)
Benefit payments	(7,057)	(6,891)	(7,579)	(5,609)
<b>Net change in total HIC OPEB liability</b>	<u>\$ 838</u>	<u>\$ (8,844)</u>	<u>\$ (1,922)</u>	<u>\$ 848</u>
<b>Total HIC OPEB Liability - beginning</b>	105,842	114,686	116,608	115,760
<b>Total HIC OPEB Liability - ending (a)</b>	<u>\$ 106,680</u>	<u>\$ 105,842</u>	<u>\$ 114,686</u>	<u>\$ 116,608</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 6,317	\$ 5,782	\$ 6,354	\$ 6,445
Net investment income	1,038	3,195	3,403	4,960
Benefit payments	(7,057)	(6,891)	(7,579)	(5,609)
Administrator charges	(99)	(69)	(79)	(80)
Other	-	(3)	(247)	247
<b>Net change in plan fiduciary net position</b>	<u>\$ 199</u>	<u>\$ 2,014</u>	<u>\$ 1,852</u>	<u>\$ 5,963</u>
<b>Plan fiduciary net position - beginning</b>	52,308	50,294	48,442	42,479
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 52,507</u>	<u>\$ 52,308</u>	<u>\$ 50,294</u>	<u>\$ 48,442</u>
<b>School Board's net HIC OPEB liability - ending (a) - (b)</b>	\$ 54,173	\$ 53,534	\$ 64,392	\$ 68,166
<b>Plan fiduciary net position as a percentage of the total HIC OPEB liability</b>	49.22%	49.42%	43.85%	41.54%
<b>Covered payroll</b>	\$ 1,169,886	\$ 1,070,702	\$ 1,114,681	\$ 1,130,833
<b>School Board's net HIC OPEB liability as a percentage of covered payroll</b>	4.63%	5.00%	5.78%	6.03%

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

Schedule of Employer Contributions  
 VRS OPEB Plan - Group Life Insurance (GLI) Plan  
 For the Years Ended June 30, 2012 through June 30, 2021

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)
<b>Primary Government</b>					
2021	\$ 34,197	\$ 34,197	\$ -	\$ 6,332,779	0.54%
2020	32,258	32,258	-	6,203,514	0.52%
2019	31,041	31,041	-	5,969,368	0.52%
2018	27,813	27,813	-	5,348,681	0.52%
2017	24,983	24,983	-	4,804,488	0.52%
2016	21,720	21,720	-	4,525,045	0.48%
2015	20,477	20,477	-	4,266,100	0.48%
2014	20,346	20,346	-	4,238,853	0.48%
2013	19,810	19,810	-	4,127,150	0.48%
2012	11,987	11,987	-	4,280,915	0.28%
<b>Component Unit School Board (nonprofessional)</b>					
2021	\$ 5,952	\$ 5,952	\$ -	\$ 1,102,262	0.54%
2020	6,083	6,083	-	1,169,886	0.52%
2019	5,599	5,599	-	1,076,646	0.52%
2018	5,844	5,844	-	1,123,835	0.52%
2017	5,920	5,920	-	1,138,466	0.52%
2016	5,341	5,341	-	1,112,779	0.48%
2015	5,358	5,358	-	1,116,354	0.48%
2014	5,626	5,626	-	1,172,158	0.48%
2013	5,769	5,769	-	1,201,924	0.48%
2012	3,241	3,241	-	1,157,512	0.28%
<b>Component Unit School Board (professional)</b>					
2021	\$ 47,633	\$ 47,633	\$ -	\$ 8,820,936	0.54%
2020	48,583	48,583	-	9,342,928	0.52%
2019	46,833	46,833	-	9,006,358	0.52%
2018	48,411	48,411	-	9,309,849	0.52%
2017	50,324	50,324	-	9,677,754	0.52%
2016	45,560	45,560	-	9,491,607	0.48%
2015	44,828	44,828	-	9,339,184	0.48%
2014	46,815	46,815	-	9,753,088	0.48%
2013	49,647	49,647	-	10,343,034	0.48%
2012	28,646	28,646	-	10,230,896	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, 2012 through June 30, 2021

<u>Date</u>	<u>Contractually Required Contribution (1)</u>	<u>Contributions in Relation to Contractually Required Contribution (2)</u>	<u>Contribution Deficiency (Excess) (3)</u>	<u>Employer's Covered Payroll (4)</u>	<u>Contributions as a % of Covered Payroll (5)</u>
<b>Component Unit School Board (nonprofessional)</b>					
2021	\$ 6,173	\$ 6,173	\$ -	\$ 1,102,262	0.56%
2020	6,317	6,317	-	1,169,886	0.54%
2019	5,782	5,782	-	1,070,702	0.54%
2018	6,354	6,354	-	1,114,681	0.57%
2017	6,446	6,446	-	1,130,833	0.57%
2016	5,898	5,898	-	1,112,779	0.53%
2015	5,917	5,917	-	1,116,354	0.53%
2014	7,150	7,150	-	1,172,158	0.61%
2013	7,301	7,301	-	1,196,912	0.61%
2012	7,623	7,623	-	1,154,974	0.66%
<b>Component Unit School Board (professional)</b>					
2021	\$ 106,733	\$ 106,733	\$ -	\$ 8,820,936	1.21%
2020	112,059	112,059	-	9,338,277	1.20%
2019	107,997	107,997	-	8,999,734	1.20%
2018	114,311	114,311	-	9,293,614	1.23%
2017	107,290	107,290	-	9,665,747	1.11%
2016	100,611	100,611	-	9,491,607	1.06%
2015	98,995	98,995	-	9,339,184	1.06%
2014	108,259	108,259	-	9,753,088	1.11%
2013	113,366	113,366	-	10,213,129	1.11%
2012	60,748	60,748	-	10,124,628	0.60%



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

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

**Changes of assumptions** – The actuarial assumptions used in the June 30, 2019 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, 2021

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

**Changes of assumptions** – The actuarial assumptions used in the June 30, 2019, 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, 2021

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

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

Notes to Required Supplementary Information  
 Health Insurance OPEB Plans - Primary Government and Component Unit School Board  
 For the Year Ended June 30, 2021

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Valuation Date: 7/1/2019  
 Measurement Date: 6/30/2021

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

*Methods and assumptions used to determine OPEB liability:*

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	2.21% as of June 30, 2020; 2.16% as of June 30, 2021
Inflation	2.50% per year as of June 30, 2020; 2.50% per year as of June 30, 2021
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, 2021

	<b>School Debt Service Fund</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ 13,694	\$ 13,694
Intergovernmental:				
Federal	60,538	60,538	92,152	31,614
Total revenues	<u>\$ 60,538</u>	<u>\$ 60,538</u>	<u>\$ 105,846</u>	<u>\$ 45,308</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	\$ 571,736	\$ 571,736	\$ 1,624,843	\$ (1,053,107)
Interest and other fiscal charges	182,002	182,002	197,025	(15,023)
Total expenditures	<u>\$ 753,738</u>	<u>\$ 753,738</u>	<u>\$ 1,821,868</u>	<u>\$ (1,068,130)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (693,200)</u>	<u>\$ (693,200)</u>	<u>\$ (1,716,022)</u>	<u>\$ (1,022,822)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 693,200	\$ 693,200	\$ 693,200	\$ -
Total other financing sources (uses)	<u>\$ 693,200</u>	<u>\$ 693,200</u>	<u>\$ 693,200</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ -	\$ (1,022,822)	\$ (1,022,822)
Fund balances - beginning	-	-	953,647	953,647
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (69,175)</u>	<u>\$ (69,175)</u>



Capital Projects Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2021

	<b>County Capital Improvements Fund</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ 295	\$ 295
Intergovernmental:				
Commonwealth	-	199,725	199,725	-
Federal	-	44,774	41,724	(3,050)
Total revenues	<u>\$ -</u>	<u>\$ 244,499</u>	<u>\$ 241,744</u>	<u>\$ (2,755)</u>
<b>EXPENDITURES</b>				
Capital projects	\$ 25,000	\$ 726,228	\$ 682,378	\$ 43,850
Total expenditures	<u>\$ 25,000</u>	<u>\$ 726,228</u>	<u>\$ 682,378</u>	<u>\$ 43,850</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (25,000)</u>	<u>\$ (481,729)</u>	<u>\$ (440,634)</u>	<u>\$ 41,095</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 25,000	\$ 481,729	\$ 24,783	\$ (456,946)
Transfers out	-	-	(4,220)	(4,220)
Total other financing sources (uses)	<u>\$ 25,000</u>	<u>\$ 481,729</u>	<u>\$ 20,563</u>	<u>\$ (461,166)</u>
Net change in fund balances	\$ -	\$ -	\$ (420,071)	\$ (420,071)
Fund balances - beginning	-	-	541,603	541,603
Fund balances - ending	<u>-</u>	<u>-</u>	<u>121,532</u>	<u>121,532</u>

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 June 30, 2021

	<u>Airport Commission Fund</u>	<u>Sheriff's Employee Fund</u>	<u>CSA Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 13,379	\$ 38,265	\$ 51,644
Due from other governmental units	-	-	62,008	62,008
Prepaid items	5,220	-	-	5,220
Total assets	<u>\$ 5,220</u>	<u>\$ 13,379</u>	<u>\$ 100,273</u>	<u>\$ 118,872</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,224	\$ -	\$ 39,618	\$ 40,842
Due to other funds	-	-	60,655	60,655
Total liabilities	<u>\$ 1,224</u>	<u>\$ -</u>	<u>\$ 100,273</u>	<u>\$ 101,497</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepays	\$ 5,220	\$ -	\$ -	\$ 5,220
Restricted:				
Employee benefits - sheriff	-	13,379	-	13,379
Unassigned (deficit):				
Airport	(1,224)	-	-	(1,224)
Total fund balances	<u>\$ 3,996</u>	<u>\$ 13,379</u>	<u>\$ -</u>	<u>\$ 17,375</u>
Total liabilities and fund balances	<u>\$ 5,220</u>	<u>\$ 13,379</u>	<u>\$ 100,273</u>	<u>\$ 118,872</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Special Revenue Funds  
 For the Year Ended June 30, 2021

	<b>Airport Commission Fund</b>	<b>Sheriff's Employee Fund</b>	<b>CSA Fund</b>	<b>Total</b>
<b>REVENUES</b>				
Revenue from the use of money and property	\$ (625)	\$ -	\$ -	\$ (625)
Charges for services	-	2,366	-	2,366
Miscellaneous	-	10,508	-	10,508
Recovered costs	-	500	-	500
Intergovernmental:				
Commonwealth	2,565	-	372,082	374,647
Federal	-	-	9,138	9,138
Total revenues	<u>\$ 1,940</u>	<u>\$ 13,374</u>	<u>\$ 381,220</u>	<u>\$ 396,534</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	\$ -	\$ 9,534	\$ -	\$ 9,534
Public works	36,388	-	-	36,388
Health and welfare	-	-	513,367	513,367
Total expenditures	<u>\$ 36,388</u>	<u>\$ 9,534</u>	<u>\$ 513,367</u>	<u>\$ 559,289</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (34,448)</u>	<u>\$ 3,840</u>	<u>\$ (132,147)</u>	<u>\$ (162,755)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 35,706	\$ -	\$ 132,147	\$ 167,853
Total other financing sources (uses)	<u>\$ 35,706</u>	<u>\$ -</u>	<u>\$ 132,147</u>	<u>\$ 167,853</u>
Net change in fund balances	\$ 1,258	\$ 3,840	\$ -	\$ 5,098
Fund balances - beginning, as restated	2,738	9,539	-	12,277
Fund balances - ending	<u>\$ 3,996</u>	<u>\$ 13,379</u>	<u>\$ -</u>	<u>\$ 17,375</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, 2021

	<b>Airport Commission Fund</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 2,500	\$ 2,500	\$ (625)	\$ (3,125)
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Intergovernmental:				
Commonwealth	5,000	5,000	2,565	(2,435)
Federal	-	-	-	-
Total revenues	<u>\$ 7,500</u>	<u>\$ 7,500</u>	<u>\$ 1,940</u>	<u>\$ (5,560)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	\$ -	\$ -	\$ -	\$ -
Public works	31,469	31,469	36,388	(4,919)
Health and welfare	-	-	-	-
Total expenditures	<u>\$ 31,469</u>	<u>\$ 31,469</u>	<u>\$ 36,388</u>	<u>\$ (4,919)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (23,969)</u>	<u>\$ (23,969)</u>	<u>\$ (34,448)</u>	<u>\$ (10,479)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 23,969	\$ 23,969	\$ 35,706	\$ 11,737
Total other financing sources (uses)	<u>\$ 23,969</u>	<u>\$ 23,969</u>	<u>\$ 35,706</u>	<u>\$ 11,737</u>
Net change in fund balances	\$ -	\$ -	\$ 1,258	\$ 1,258
Fund balances - beginning, as restated	-	-	2,738	2,738
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,996</u>	<u>\$ 3,996</u>

Sheriff's Employee Fund				CSA Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	2,366	2,366	-	-	-	-
-	-	10,508	10,508	300	300	-	(300)
-	-	500	500	-	-	-	-
-	-	-	-	621,150	621,150	372,082	(249,068)
-	-	-	-	13,500	13,500	9,138	(4,362)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,374</u>	<u>\$ 13,374</u>	<u>\$ 634,950</u>	<u>\$ 634,950</u>	<u>\$ 381,220</u>	<u>\$ (253,730)</u>
\$ -	\$ -	9,534	(9,534)	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	1,045,000	1,045,000	513,367	531,633
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,534</u>	<u>\$ (9,534)</u>	<u>\$ 1,045,000</u>	<u>\$ 1,045,000</u>	<u>\$ 513,367</u>	<u>\$ 531,633</u>
\$ -	\$ -	3,840	3,840	(410,050)	(410,050)	(132,147)	277,903
\$ -	\$ -	-	-	410,050	410,050	132,147	(277,903)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 410,050</u>	<u>\$ 410,050</u>	<u>\$ 132,147</u>	<u>\$ (277,903)</u>
\$ -	\$ -	3,840	3,840	\$ -	\$ -	\$ -	\$ -
-	-	9,539	9,539	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,379</u>	<u>\$ 13,379</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Combining Statement of Fiduciary Net Position  
 Fiduciary Funds  
 June 30, 2021

	<u>Custodial Funds</u>			
	<u>Special Welfare Fund</u>	<u>Sheriff Funds</u>	<u>Bond Escrow Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 30,296	\$ 162	\$ 22,755	\$ 53,213
Total assets	<u>\$ 30,296</u>	<u>\$ 162</u>	<u>\$ 22,755</u>	<u>\$ 53,213</u>
<b>LIABILITIES</b>				
Escrow deposits payable	\$ -	\$ -	\$ 14,255	\$ 14,255
Due to other governmental units	-	162	-	162
Total liabilities	<u>\$ -</u>	<u>\$ 162</u>	<u>\$ 14,255</u>	<u>\$ 14,417</u>
<b>NET POSITION</b>				
Restricted for:				
Special welfare	\$ 30,296	\$ -	\$ -	\$ 30,296
Performance bond	-	-	8,500	8,500
Total net position	<u>\$ 30,296</u>	<u>\$ -</u>	<u>\$ 8,500</u>	<u>\$ 38,796</u>

Combining Statement of Changes in Fiduciary Net Position  
 Custodial Funds  
 For the Year Ended June 30, 2021

	<b>Custodial Funds</b>			
	<b>Special Welfare Fund</b>	<b>Sheriff Funds</b>	<b>Bond Escrow Fund</b>	<b>Total</b>
<b>ADDITIONS</b>				
Special welfare collections	\$ 18,446	\$ -	\$ -	\$ 18,446
Contribution from County	30,000	-	-	30,000
Sheriff fees	-	801	-	801
Total additions	<u>\$ 48,446</u>	<u>\$ 801</u>	<u>\$ -</u>	<u>\$ 49,247</u>
<b>DEDUCTIONS</b>				
Welfare costs	\$ 18,645	\$ -	\$ -	\$ 18,645
Sheriff fees remitted to State	-	801	-	801
Total deductions	<u>\$ 18,645</u>	<u>\$ 801</u>	<u>\$ -</u>	<u>\$ 19,446</u>
Net increase (decrease) in fiduciary net position	\$ 29,801	\$ -	\$ -	\$ 29,801
Net position - beginning, as restated	<u>495</u>	<u>-</u>	<u>8,500</u>	<u>8,995</u>
Net position - ending	<u><u>\$ 30,296</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,500</u></u>	<u><u>\$ 38,796</u></u>

Combining Balance Sheet  
 Discretely Presented Component Unit - School Board  
 June 30, 2021

	<u>School Operating Fund</u>	<u>School Cafeteria Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 413,562	\$ 337,759	\$ 417,282	\$ 49,086	\$ 1,217,689
Receivables (net of allowance for uncollectibles):					
Accounts receivable	3,464	312	-	-	3,776
Due from other governmental units	706,394	47,444	-	-	753,838
Total assets	<u>\$ 1,123,420</u>	<u>\$ 385,515</u>	<u>\$ 417,282</u>	<u>\$ 49,086</u>	<u>\$ 1,975,303</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 247,924	\$ -	\$ -	\$ 67	\$ 247,991
Accrued liabilities	874,996	27,759	-	-	902,755
Total liabilities	<u>\$ 1,122,920</u>	<u>\$ 27,759</u>	<u>\$ -</u>	<u>\$ 67</u>	<u>\$ 1,150,746</u>
<b>FUND BALANCES</b>					
Restricted:					
School activity funds	\$ -	\$ -	\$ -	\$ 49,019	\$ 49,019
Committed:					
Cafeteria operations	-	357,756	-	-	357,756
School capital projects	-	-	417,282	-	417,282
Unassigned:					
School operations	500	-	-	-	500
Total fund balances	<u>\$ 500</u>	<u>\$ 357,756</u>	<u>\$ 417,282</u>	<u>\$ 49,019</u>	<u>\$ 824,557</u>
Total liabilities and fund balances	<u>\$ 1,123,420</u>	<u>\$ 385,515</u>	<u>\$ 417,282</u>	<u>\$ 49,086</u>	<u>\$ 1,975,303</u>

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

Total fund balances per above	\$	824,557
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land	\$	25,822
Buildings and improvements		7,603,717
Machinery, equipment, and vehicles		<u>872,545</u>
Total		8,502,084
The net pension asset is not available to pay for current-period expenditures. and, therefore, is not reported in the funds.		201,140
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items	\$	3,869,979
OPEB related items		<u>402,909</u>
Total		4,272,888
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	\$	(80,192)
Compensated absences		(89,678)
Net pension liability		(15,568,399)
Net OPEB liabilities		(2,976,478)
Accrued interest payable		<u>(1,304)</u>
Total		(18,716,051)
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	\$	(2,189,752)
OPEB related items		<u>(307,282)</u>
Total		(2,497,034)
Net position (deficit) of governmental activities	\$	<u>(7,412,416)</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, 2021

	School Operating Fund	School Cafeteria Fund	Capital Projects Fund	Nonmajor Governmental Fund	Total Governmental Funds
<b>REVENUES</b>					
Revenue from the use of money and property	\$ 130	\$ -	\$ -	\$ -	\$ 130
Charges for services	-	6,678	-	-	6,678
Miscellaneous	265,736	72,541	-	69,499	407,776
Intergovernmental:					
Local government	6,654,409	-	417,282	-	7,071,691
Commonwealth	12,143,179	16,990	-	-	12,160,169
Federal	2,491,417	744,101	-	-	3,235,518
Total revenues	<u>\$ 21,554,871</u>	<u>\$ 840,310</u>	<u>\$ 417,282</u>	<u>\$ 69,499</u>	<u>\$ 22,881,962</u>
<b>EXPENDITURES</b>					
Current:					
Education	\$ 20,331,512	\$ 964,976	\$ -	\$ 84,261	\$ 21,380,749
Capital projects	1,141,350	-	-	-	1,141,350
Debt service:					
Principal retirement	78,816	-	-	-	78,816
Interest and other fiscal charges	2,799	-	-	-	2,799
Total expenditures	<u>\$ 21,554,477</u>	<u>\$ 964,976</u>	<u>\$ -</u>	<u>\$ 84,261</u>	<u>\$ 22,603,714</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 394</u>	<u>\$ (124,666)</u>	<u>\$ 417,282</u>	<u>\$ (14,762)</u>	<u>\$ 278,248</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$ -	\$ 394	\$ -	\$ -	\$ 394
Transfers out	(394)	-	-	-	(394)
Total other financing sources (uses)	<u>\$ (394)</u>	<u>\$ 394</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ (124,272)	\$ 417,282	\$ (14,762)	\$ 278,248
Fund balances - beginning, as restated	500	482,028	-	63,781	546,309
Fund balances - ending	<u>\$ 500</u>	<u>\$ 357,756</u>	<u>\$ 417,282</u>	<u>\$ 49,019</u>	<u>\$ 824,557</u>
Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:					
Net change in fund balances - total governmental funds - per above				\$	278,248
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			\$	538,353	
Depreciation				(462,417)	
Adjustment for jointly owned assets				1,624,843	
Depreciation adjustment for jointly owned assets				<u>(830,593)</u>	870,186
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			\$	<u>78,816</u>	78,816
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			\$	(5,383)	
Change in pension related items				177,090	
Change in OPEB related items				26,537	
Accrued interest payable				<u>1,262</u>	199,506
Change in net position of governmental activities				\$	<u>1,426,756</u>

**COUNTY OF BRUNSWICK, VIRGINIA**

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Discretely Presented Component Unit - School Board  
 For the Year Ended June 30, 2021

	<b>School Operating Fund</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 1,000	\$ 1,000	\$ 130	\$ (870)
Charges for services	-	-	-	-
Miscellaneous	56,500	69,451	265,736	196,285
Recovered costs	-	-	-	-
Intergovernmental:				
Local government	6,712,828	7,447,828	6,654,409	(793,419)
Commonwealth	11,667,215	12,419,974	12,143,179	(276,795)
Federal	1,819,860	3,445,205	2,491,417	(953,788)
Total revenues	<u>\$ 20,257,403</u>	<u>\$ 23,383,458</u>	<u>\$ 21,554,871</u>	<u>\$ (1,828,587)</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 19,078,308	\$ 21,825,832	\$ 20,331,512	\$ 1,494,320
Capital projects	1,097,481	1,476,012	1,141,350	334,662
Debt service:				
Principal retirement	77,464	77,464	78,816	(1,352)
Interest and other fiscal charges	4,150	4,150	2,799	1,351
Total expenditures	<u>\$ 20,257,403</u>	<u>\$ 23,383,458</u>	<u>\$ 21,554,477</u>	<u>\$ 1,828,981</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 394</u>	<u>\$ 394</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	(394)	(394)
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (394)</u>	<u>\$ (394)</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	500	500
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 500</u>

School Cafeteria Fund				School Capital Projects Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
176,000	176,000	6,678	(169,322)	-	-	-	-
7,000	7,000	72,541	65,541	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	417,282	417,282
155,000	165,400	16,990	(148,410)	-	-	-	-
1,040,000	1,040,000	744,101	(295,899)	-	-	-	-
<u>\$ 1,378,000</u>	<u>\$ 1,388,400</u>	<u>\$ 840,310</u>	<u>\$ (548,090)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 417,282</u>	<u>\$ 417,282</u>
\$ 1,378,000	\$ 1,545,479	\$ 964,976	\$ 580,503	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 1,378,000</u>	<u>\$ 1,545,479</u>	<u>\$ 964,976</u>	<u>\$ 580,503</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ (157,079)	\$ (124,666)	\$ 32,413	\$ -	\$ -	\$ 417,282	\$ 417,282
\$ -	\$ -	\$ 394	\$ 394	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 394</u>	<u>\$ 394</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ (157,079)	\$ (124,272)	\$ 32,807	\$ -	\$ -	\$ 417,282	\$ 417,282
-	157,079	482,028	324,949	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 357,756</u>	<u>\$ 357,756</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 417,282</u>	<u>\$ 417,282</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, 2021

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 6,820,000	\$ 6,820,000	\$ 6,991,000	\$ 171,000
Real and personal public service corporation taxes	5,300,000	5,300,000	5,437,584	137,584
Personal property taxes	2,760,000	2,760,000	3,135,115	375,115
Mobile home taxes	37,000	37,000	38,401	1,401
Machinery and tools taxes	625,000	625,000	637,835	12,835
Merchants capital taxes	-	-	218	218
Penalties	95,000	95,000	144,731	49,731
Interest	50,000	50,000	118,060	68,060
Total general property taxes	<u>\$ 15,687,000</u>	<u>\$ 15,687,000</u>	<u>\$ 16,502,944</u>	<u>\$ 815,944</u>
Other local taxes:				
Local sales and use taxes	\$ 725,000	\$ 725,000	\$ 1,092,613	\$ 367,613
Consumers' utility taxes	255,000	255,000	257,548	2,548
Bank stock taxes	15,000	15,000	-	(15,000)
Franchise license taxes	30,000	30,000	30,392	392
Motor vehicle licenses	335,000	335,000	407,291	72,291
Taxes on recordation and wills	55,000	55,000	111,479	56,479
Utility consumption taxes	45,000	45,000	44,774	(226)
Hotel and motel room taxes	15,000	15,000	6,684	(8,316)
Total other local taxes	<u>\$ 1,475,000</u>	<u>\$ 1,475,000</u>	<u>\$ 1,950,781</u>	<u>\$ 475,781</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 24,000	\$ 24,000	\$ 15,231	\$ (8,769)
Zoning application fees	6,000	6,000	6,340	340
Transfer fees	600	600	784	184
Permits and other licenses	40,000	40,000	38,009	(1,991)
Total permits, privilege fees, and regulatory licenses	<u>\$ 70,600</u>	<u>\$ 70,600</u>	<u>\$ 60,364</u>	<u>\$ (10,236)</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 1,375,475	\$ 1,450,475	\$ 1,636,628	\$ 186,153
Interest on court fines and forfeitures	-	-	8,566	8,566
Total fines and forfeitures	<u>\$ 1,375,475</u>	<u>\$ 1,450,475</u>	<u>\$ 1,645,194</u>	<u>\$ 194,719</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 23,300	\$ 23,300	\$ 94,353	\$ 71,053
Revenue from use of property	22,600	22,600	22,600	-
Total revenue from use of money and property	<u>\$ 45,900</u>	<u>\$ 45,900</u>	<u>\$ 116,953</u>	<u>\$ 71,053</u>
Charges for services:				
Charges for law enforcement and traffic control	\$ 1,000	\$ 1,000	\$ 990	\$ (10)
Charges for courthouse maintenance	29,000	29,000	38,604	9,604
Charges for court costs	185,000	185,000	385,446	200,446
Charges for court costs - electronic summons fee	55,000	55,000	83,726	28,726
Law library fees	2,000	2,000	1,314	(686)
Charges for Commonwealth's Attorney	2,500	2,500	3,676	1,176

Schedule of Revenues - Budget and Actual  
 Governmental Funds and Discretely Presented Component Unit School Board  
 For the Year Ended June 30, 2021 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Revenue from local sources: (Continued)				
Charges for services: (Continued)				
Miscellaneous jail and inmate fees	\$ 6,000	\$ 6,000	\$ 6,086	\$ 86
Animal shelter fees	250	250	-	(250)
Charges for sanitation and waste removal	115,000	115,000	207,424	92,424
Charges for landfill host fees	200,000	200,000	477,141	277,141
Charges for planning and community development	2,000	2,000	1,509	(491)
Charges for emergency transport	185,000	185,000	183,776	(1,224)
Total charges for services	<u>\$ 782,750</u>	<u>\$ 782,750</u>	<u>\$ 1,389,692</u>	<u>\$ 606,942</u>
Miscellaneous:				
Miscellaneous	\$ 30,000	\$ 40,000	\$ 95,911	\$ 55,911
Total miscellaneous	<u>\$ 30,000</u>	<u>\$ 40,000</u>	<u>\$ 95,911</u>	<u>\$ 55,911</u>
Recovered costs:				
Landfill inspection fees	\$ 140,000	\$ 140,000	\$ 103,241	\$ (36,759)
Tax bills - Lawrenceville	2,000	2,000	753	(1,247)
School resource officer	96,345	96,345	192,690	96,345
Clerk of Circuit Court copy cost reimbursement	2,000	2,000	2,248	248
Sheriff contracted security	50,000	50,000	32,605	(17,395)
Insurance recovery	-	17,204	74,222	57,018
Total recovered costs	<u>\$ 290,345</u>	<u>\$ 307,549</u>	<u>\$ 405,759</u>	<u>\$ 98,210</u>
Total revenue from local sources	<u>\$ 19,757,070</u>	<u>\$ 19,859,274</u>	<u>\$ 22,167,598</u>	<u>\$ 2,308,324</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Grantor's tax	\$ 20,000	\$ 20,000	\$ 28,681	\$ 8,681
Mobile home titling tax	30,000	30,000	23,523	(6,477)
Games of skill tax	-	-	43,488	43,488
Rolling stock tax	5,000	5,000	4,268	(732)
Motor vehicle rental tax	-	-	56	56
Motor vehicle carrier's tax	-	-	841	841
State recordation tax	25,000	25,000	-	(25,000)
Personal property tax relief funds	1,355,735	1,355,735	1,355,736	1
Communication taxes	425,000	425,000	308,257	(116,743)
Moped and ATV taxes	-	-	42,569	42,569
Total noncategorical aid	<u>\$ 1,860,735</u>	<u>\$ 1,860,735</u>	<u>\$ 1,807,419</u>	<u>\$ (53,316)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 355,000	\$ 355,000	\$ 358,454	\$ 3,454
Sheriff	1,040,000	1,049,689	1,067,976	18,287
Commissioner of revenue	90,000	90,000	100,262	10,262
Treasurer	81,500	81,500	89,505	8,005
Registrar/electoral board	36,000	36,000	41,320	5,320
Clerk of the Circuit Court	200,000	200,000	232,598	32,598
Total shared expenses	<u>\$ 1,802,500</u>	<u>\$ 1,812,189</u>	<u>\$ 1,890,115</u>	<u>\$ 77,926</u>



Schedule of Revenues - Budget and Actual  
 Governmental Funds and Discretely Presented Component Unit School Board  
 For the Year Ended June 30, 2021 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid:				
Emergency medical services - four for life	\$ 19,500	\$ 19,500	\$ 16,243	\$ (3,257)
Fire program funds	44,000	44,000	58,690	14,690
Litter control grant	5,562	6,230	6,389	159
911 services board grant	-	11,000	-	(11,000)
Victim witness grant	27,106	27,106	27,884	778
PSAP - Phase II - Wireless	100,000	100,000	71,580	(28,420)
VDOT Revenue sharing	-	-	669	669
DMV license agent commission	20,000	47,387	80,714	33,327
Drug forfeiture funds	50,000	50,000	5,092	(44,908)
Arts Grant	4,500	4,500	4,500	-
Pesticide grant	1,875	1,875	1,795	(80)
Historic resources grant	-	50,000	50,000	-
Other grants	-	12,000	14,371	2,371
Total other categorical aid	<u>\$ 272,543</u>	<u>\$ 373,598</u>	<u>\$ 337,927</u>	<u>\$ (35,671)</u>
Total categorical aid	<u>\$ 2,075,043</u>	<u>\$ 2,185,787</u>	<u>\$ 2,228,042</u>	<u>\$ 42,255</u>
Total revenue from the Commonwealth	<u>\$ 3,935,778</u>	<u>\$ 4,046,522</u>	<u>\$ 4,035,461</u>	<u>\$ (11,061)</u>
Revenue from the federal government:				
Categorical aid:				
Emergency management grants	\$ -	\$ 7,500	\$ -	\$ (7,500)
Cost allocation plan	40,000	40,000	69,316	29,316
Victim witness grant	85,157	85,157	83,650	(1,507)
DCJS - Audio-Video equipment grant	-	62,000	-	(62,000)
CARES Act funding	-	3,097,567	2,782,996	(314,571)
CESF grant	-	83,219	63,819	(19,400)
CDBG small business recovery assistance fund	-	51,161	51,992	831
Other federal funds	-	24,804	-	(24,804)
Total categorical aid	<u>\$ 125,157</u>	<u>\$ 3,451,408</u>	<u>\$ 3,051,773</u>	<u>\$ (399,635)</u>
Total revenue from the federal government	<u>\$ 125,157</u>	<u>\$ 3,451,408</u>	<u>\$ 3,051,773</u>	<u>\$ (399,635)</u>
Total General Fund	<u><u>\$ 23,818,005</u></u>	<u><u>\$ 27,357,204</u></u>	<u><u>\$ 29,254,832</u></u>	<u><u>\$ 1,897,628</u></u>
<b>Special Revenue Funds:</b>				
<b>Virginia Public Assistance Fund:</b>				
Revenue from local sources:				
Miscellaneous:				
Expenditure refunds	\$ -	\$ -	\$ 7,932	\$ 7,932
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ 536,039	\$ 536,039	\$ 702,443	\$ 166,404

Schedule of Revenues - Budget and Actual  
 Governmental Funds and Discretely Presented Component Unit School Board  
 For the Year Ended June 30, 2021 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Special Revenue Funds: (Continued)</b>				
<b>Virginia Public Assistance Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 1,254,111	\$ 1,254,111	\$ 1,165,851	\$ (88,260)
Total Virginia Public Assistance Fund	<u>\$ 1,790,150</u>	<u>\$ 1,790,150</u>	<u>\$ 1,876,226</u>	<u>\$ 86,076</u>
<b>Airport Commission Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 2,500	\$ 2,500	\$ (625)	\$ (3,125)
Total revenue from local sources	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ (625)</u>	<u>\$ (3,125)</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Department of aviation grant	\$ 5,000	\$ 5,000	\$ 2,565	\$ (2,435)
Total Airport Commission Fund	<u>\$ 7,500</u>	<u>\$ 7,500</u>	<u>\$ 1,940</u>	<u>\$ (5,560)</u>
<b>Sheriff's Employee Fund:</b>				
Revenue from local sources:				
Charges for services:				
Vending machine collections	\$ -	\$ -	\$ 2,366	\$ 2,366
Total charges for services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,366</u>	<u>\$ 2,366</u>
Miscellaneous revenue:				
Donations	\$ -	\$ -	\$ 1,608	\$ 1,608
Calendar advertisements	-	-	8,900	8,900
Total miscellaneous revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,508</u>	<u>\$ 10,508</u>
Recovered costs:				
Other recovered costs	\$ -	\$ -	\$ 500	\$ 500
Total recovered costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 500</u>
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,374</u>	<u>\$ 13,374</u>
Total Sheriff's Employee Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,374</u>	<u>\$ 13,374</u>
<b>CSA Fund:</b>				
Revenue from local sources:				
Miscellaneous:				
Expenditure refunds	\$ 300	\$ 300	\$ -	\$ (300)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Comprehensive Services Act	\$ 619,440	\$ 619,440	\$ 370,924	\$ (248,516)
PSSF grant	1,710	1,710	1,158	(552)
Total revenue from the Commonwealth	<u>\$ 621,150</u>	<u>\$ 621,150</u>	<u>\$ 372,082</u>	<u>\$ (249,068)</u>

Schedule of Revenues - Budget and Actual  
 Governmental Funds and Discretely Presented Component Unit School Board  
 For the Year Ended June 30, 2021 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Special Revenue Funds: (Continued)</b>				
<b>CSA Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
PSSF grant	\$ 13,500	\$ 13,500	\$ 9,138	\$ (4,362)
Total revenue from the federal government	<u>\$ 13,500</u>	<u>\$ 13,500</u>	<u>\$ 9,138</u>	<u>\$ (4,362)</u>
Total CSA Fund	<u>\$ 634,950</u>	<u>\$ 634,950</u>	<u>\$ 381,220</u>	<u>\$ (253,730)</u>
<b>Debt Service Fund:</b>				
<b>School Debt Service Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 13,694	\$ 13,694
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
Federal interest subsidy	\$ 60,538	\$ 60,538	\$ 92,152	\$ 31,614
Total School Debt Service Fund	<u>\$ 60,538</u>	<u>\$ 60,538</u>	<u>\$ 105,846</u>	<u>\$ 45,308</u>
<b>Capital Projects Funds:</b>				
<b>County Capital Improvements Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 295	\$ 295
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Tobacco grant	\$ -	\$ 199,725	\$ 199,725	\$ -
Revenue from the federal government:				
Categorical aid:				
Community Development Block Grants	\$ -	\$ 44,774	\$ 41,724	\$ (3,050)
Total County Capital Improvements Fund	<u>\$ -</u>	<u>\$ 244,499</u>	<u>\$ 241,744</u>	<u>\$ (2,755)</u>
Total Primary Government	<u>\$ 26,311,143</u>	<u>\$ 30,094,841</u>	<u>\$ 31,875,182</u>	<u>\$ 1,780,341</u>

Schedule of Revenues - Budget and Actual  
Governmental Funds and Discretely Presented Component Unit School Board  
For the Year Ended June 30, 2021 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 1,000	\$ 1,000	\$ 130	\$ (870)
Miscellaneous:				
E-Rate	\$ -	\$ -	\$ 222,203	\$ 222,203
Other miscellaneous	56,500	69,451	43,533	(25,918)
Total miscellaneous	\$ 56,500	\$ 69,451	\$ 265,736	\$ 196,285
Total revenue from local sources	\$ 57,500	\$ 70,451	\$ 265,866	\$ 195,415
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Brunswick, Virginia	\$ 6,712,828	\$ 7,447,828	\$ 6,654,409	\$ (793,419)
Total revenues from local governments	\$ 6,712,828	\$ 7,447,828	\$ 6,654,409	\$ (793,419)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,282,884	\$ 2,282,884	\$ 2,441,228	\$ 158,344
Basic school aid	4,410,757	4,410,757	4,408,826	(1,931)
Remedial summer education	56,326	56,326	39,522	(16,804)
Special education foster care	22,125	22,125	23,961	1,836
Adult secondary education	8,386	48,754	48,755	1
Gifted and talented	42,940	42,940	42,740	(200)
Remedial education	330,558	330,558	329,018	(1,540)
Enrollment Loss	-	-	89,921	89,921
Special education	877,438	877,438	873,350	(4,088)
Special education jails	45,021	45,021	32,576	(12,445)
Textbook payment	87,071	87,071	86,666	(405)
Vocational standards of quality payments	128,821	128,821	128,220	(601)
Vocational education - equipment	66,381	66,381	4,538	(61,843)
Vocational occupational preparedness	-	-	79,399	79,399
Social security fringe benefits	308,683	308,683	307,245	(1,438)
Retirement fringe benefits	718,640	718,640	715,292	(3,348)
Group life fringe benefits	21,875	21,875	21,773	(102)
Infrastructure and Operations Per Pupil Allocation	302,210	302,210	336,291	34,081
Early reading intervention	34,508	34,508	34,508	-
Homebound education	11,676	11,676	2,804	(8,872)
At risk payments	752,842	752,842	749,155	(3,687)
Virginia preschool initiative	137,262	137,262	99,407	(37,855)

Schedule of Revenues - Budget and Actual  
 Governmental Funds and Discretely Presented Component Unit School Board  
 For the Year Ended June 30, 2021 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>School Operating Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
State disparity initiatives	\$ 284,792	\$ 284,792	\$ 281,288	\$ (3,504)
Alternative education	416,993	416,993	416,993	-
Technology	206,000	834,531	344,531	(490,000)
Standards of Learning algebra readiness	30,804	30,804	32,714	1,910
Mentor teacher program	211	211	3,152	2,941
English as a second language	19,667	19,667	21,306	1,639
Industry Certification	-	-	3,149	3,149
E-learning backpack initiative	-	56,400	56,400	-
Project Graduation	4,171	4,171	4,171	-
Math Reading Spec Initiative	-	-	40,108	40,108
Positive Behavioral Intervention and Support	-	24,710	25,000	290
CTE Equipment and Other Grants	-	-	4,349	4,349
Other state funds	58,173	60,923	14,823	(46,100)
Total categorical aid	<u>\$ 11,667,215</u>	<u>\$ 12,419,974</u>	<u>\$ 12,143,179</u>	<u>\$ (276,795)</u>
Total revenue from the Commonwealth	<u>\$ 11,667,215</u>	<u>\$ 12,419,974</u>	<u>\$ 12,143,179</u>	<u>\$ (276,795)</u>
Revenue from the federal government:				
Categorical aid:				
Federal land use	\$ -	\$ -	\$ 5,122	\$ 5,122
Title I	782,751	922,032	584,786	(337,246)
Title II, Part A	108,778	120,490	61,373	(59,117)
Title VI-B, special education flow-through	480,166	701,060	525,647	(175,413)
Vocational education	47,192	49,727	52,748	3,021
Title VI-B, special education pre-school	12,048	14,347	12,209	(2,138)
Rural and low income schools	31,610	54,836	15,633	(39,203)
Title III, Part A, english proficiency	-	-	2,645	2,645
JROTC	51,000	51,000	58,097	7,097
Student support and academic enrichment	55,315	126,863	132,165	5,302
School Improvement Grants	251,000	498,894	285,783	(213,111)
CARES Act - ESSERF Funds	-	-	473,261	473,261
CARES Act - CRF Funds	-	905,956	251,318	(654,638)
Other federal funds	-	-	30,630	30,630
Total categorical aid	<u>\$ 1,819,860</u>	<u>\$ 3,445,205</u>	<u>\$ 2,491,417</u>	<u>\$ (953,788)</u>
Total revenue from the federal government	<u>\$ 1,819,860</u>	<u>\$ 3,445,205</u>	<u>\$ 2,491,417</u>	<u>\$ (953,788)</u>
Total School Operating Fund	<u>\$ 20,257,403</u>	<u>\$ 23,383,458</u>	<u>\$ 21,554,871</u>	<u>\$ (1,828,587)</u>
<b>Special Revenue Fund:</b>				
<b>School Cafeteria Fund:</b>				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	\$ 176,000	\$ 176,000	\$ 6,678	\$ (169,322)

Schedule of Revenues - Budget and Actual  
 Governmental Funds and Discretely Presented Component Unit School Board  
 For the Year Ended June 30, 2021 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>Special Revenue Fund: (Continued)</b>				
<b>School Cafeteria Fund: (Continued)</b>				
Miscellaneous:				
Other miscellaneous	\$ 7,000	\$ 7,000	\$ 24,841	\$ 17,841
No kid hungry grant	-	-	33,000	33,000
Fuel up to play 60 grant	-	-	14,700	14,700
Total miscellaneous revenue	<u>\$ 7,000</u>	<u>\$ 7,000</u>	<u>\$ 72,541</u>	<u>\$ 65,541</u>
Total revenue from local sources	<u>\$ 183,000</u>	<u>\$ 183,000</u>	<u>\$ 79,219</u>	<u>\$ (103,781)</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 155,000	\$ 165,400	\$ 10,400	\$ (155,000)
School breakfast program	-	-	6,590	6,590
Total categorical aid	<u>\$ 155,000</u>	<u>\$ 165,400</u>	<u>\$ 16,990</u>	<u>\$ (148,410)</u>
Total revenue from the Commonwealth	<u>\$ 155,000</u>	<u>\$ 165,400</u>	<u>\$ 16,990</u>	<u>\$ (148,410)</u>
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 920,000	\$ 920,000	\$ 75,463	\$ (844,537)
Fresh fruit and vegetables grant	-	-	51,378	51,378
Summer feeding program	45,000	45,000	566,613	521,613
Commodities	-	-	50,647	50,647
Equipment assistance grant	75,000	75,000	-	(75,000)
Total categorical aid	<u>\$ 1,040,000</u>	<u>\$ 1,040,000</u>	<u>\$ 744,101</u>	<u>\$ (295,899)</u>
Total revenue from the federal government	<u>\$ 1,040,000</u>	<u>\$ 1,040,000</u>	<u>\$ 744,101</u>	<u>\$ (295,899)</u>
Total School Cafeteria Fund	<u>\$ 1,378,000</u>	<u>\$ 1,388,400</u>	<u>\$ 840,310</u>	<u>\$ (548,090)</u>
<b>Nonmajor Special Revenue Fund:</b>				
<b>School Activity Funds:</b>				
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 69,499	\$ 69,499
Total miscellaneous revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,499</u>	<u>\$ 69,499</u>
Total School Activity Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,499</u>	<u>\$ 69,499</u>
<b>Capital Projects Fund:</b>				
<b>School Capital Improvements Fund:</b>				
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Brunswick, Virginia	\$ -	\$ -	\$ 417,282	\$ 417,282
Total revenues from local governments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 417,282</u>	<u>\$ 417,282</u>
Total School Capital Improvements Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 417,282</u>	<u>\$ 417,282</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 21,635,403</u>	<u>\$ 24,771,858</u>	<u>\$ 22,881,962</u>	<u>\$ (1,889,896)</u>

Schedule of Expenditures - Budget and Actual  
 Governmental Funds and Discretely Presented Component Unit School Board  
 For the Year Ended June 30, 2021

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 229,255	\$ 664,347	\$ 662,314	\$ 2,033
General and financial administration:				
County administrator	\$ 361,065	\$ 365,101	365,676	\$ (575)
Independent auditor	40,000	55,000	55,000	-
Commissioner of revenue	241,013	224,503	221,395	3,108
Treasurer	280,907	245,351	249,351	(4,000)
Finance department	263,595	261,749	263,749	(2,000)
Information Technology	88,556	206,078	147,633	58,445
DMV select	101,927	129,314	129,313	1
Total general and financial administration	\$ 1,377,063	\$ 1,487,096	\$ 1,432,117	\$ 54,979
Board of elections:				
Electoral board and officials	\$ 56,687	\$ 74,547	\$ 84,147	\$ (9,600)
Registrar	129,383	183,540	131,038	52,502
Total board of elections	\$ 186,070	\$ 258,087	\$ 215,185	\$ 42,902
Total general government administration	\$ 1,792,388	\$ 2,409,530	\$ 2,309,616	\$ 99,914
Judicial administration:				
Courts:				
Circuit court	\$ 35,980	\$ 35,980	\$ 28,611	\$ 7,369
Circuit court COVID (digitizing records)	-	109,649	109,633	16
General district court	35,996	68,319	62,350	5,969
Special magistrates	950	950	807	143
Clerk of the circuit court	345,651	345,651	341,745	3,906
Law library	2,000	2,000	1,052	948
Victim/witness assistance program	139,644	139,644	136,117	3,527
Courthouse security	545,246	545,246	542,361	2,885
Total courts	\$ 1,105,467	\$ 1,247,439	\$ 1,222,676	\$ 24,763
Commonwealth's attorney:				
Commonwealth's attorney	\$ 677,159	\$ 710,378	\$ 682,639	\$ 27,739
Asset forfeiture	15,000	15,000	5,286	9,714
Total commonwealth's attorney	\$ 692,159	\$ 725,378	\$ 687,925	\$ 37,453
Total judicial administration	\$ 1,797,626	\$ 1,972,817	\$ 1,910,601	\$ 62,216
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 2,695,862	\$ 3,219,750	\$ 3,105,945	\$ 113,805
Hazard duty stipend	-	349,895	341,170	8,725
Sheriff - line of duty	36,708	36,708	36,708	-
Asset forfeiture	35,000	35,000	11,256	23,744
E911 system	811,851	892,141	791,189	100,952
School resource officer	308,190	308,190	307,114	1,076
E-Summons System	55,000	55,000	54,323	677
Total law enforcement and traffic control	\$ 3,942,611	\$ 4,896,684	\$ 4,647,705	\$ 248,979

Schedule of Expenditures - Budget and Actual  
 Governmental Funds and Discretely Presented Component Unit School Board  
 For the Year Ended June 30, 2021 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Public safety: (Continued)				
Fire and rescue services:				
Fire and rescue	\$ 746,145	\$ 957,405	\$ 898,620	\$ 58,785
Fire and rescue COVID contribution	-	507,500	507,500	-
Brunswick EMS	676,588	945,679	852,833	92,846
Mecklenburg-Brunswick Fire Training	15,000	15,000	15,000	-
Medflight program	400	400	400	-
Division of forestry	21,915	21,915	21,915	-
Total fire and rescue services	<u>\$ 1,460,048</u>	<u>\$ 2,447,899</u>	<u>\$ 2,296,268</u>	<u>\$ 151,631</u>
Correction and detention:				
Meherrin River Regional Jail Authority	\$ 2,988,972	\$ 2,955,185	\$ 2,955,185	\$ -
VJCCCA	635	635	635	-
Probation office	151,410	23,735	23,735	-
Total correction and detention	<u>\$ 3,141,017</u>	<u>\$ 2,979,555</u>	<u>\$ 2,979,555</u>	<u>\$ -</u>
Inspections:				
Building	\$ 148,160	\$ 146,272	\$ 146,272	\$ -
Total inspections	<u>\$ 148,160</u>	<u>\$ 146,272</u>	<u>\$ 146,272</u>	<u>\$ -</u>
Other protection:				
Animal control	\$ 156,856	\$ 159,013	\$ 150,143	\$ 8,870
Medical examiner	270	270	240	30
Emergency mangement services	111,070	118,570	112,848	5,722
Total other protection	<u>\$ 268,196</u>	<u>\$ 277,853</u>	<u>\$ 263,231</u>	<u>\$ 14,622</u>
Total public safety	<u>\$ 8,960,032</u>	<u>\$ 10,748,263</u>	<u>\$ 10,333,031</u>	<u>\$ 415,232</u>
Public works:				
Sanitation and waste removal:				
Refuse collection and disposal	\$ 980,279	\$ 917,388	\$ 917,388	\$ -
Litter control	5,562	6,230	6,230	-
Inmate work force program	122,154	122,454	118,919	3,535
Lake Gaston weed control	90,000	90,000	90,000	-
Total sanitation and waste removal	<u>\$ 1,197,995</u>	<u>\$ 1,136,072</u>	<u>\$ 1,132,537</u>	<u>\$ 3,535</u>
Maintenance of general buildings and grounds:				
General properties	\$ 461,868	\$ 559,309	\$ 559,309	\$ -
Courthouse maintenance	29,000	29,000	9,798	19,202
General engineering/administration	325,653	317,394	317,394	-
Total maintenance of general buildings and grounds	<u>\$ 816,521</u>	<u>\$ 905,703</u>	<u>\$ 886,501</u>	<u>\$ 19,202</u>
Total public works	<u>\$ 2,014,516</u>	<u>\$ 2,041,775</u>	<u>\$ 2,019,038</u>	<u>\$ 22,737</u>
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	<u>\$ 114,978</u>	<u>\$ 114,978</u>	<u>\$ 114,978</u>	<u>\$ -</u>



Schedule of Expenditures - Budget and Actual  
Governmental Funds and Discretely Presented Component Unit School Board  
For the Year Ended June 30, 2021 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Health and welfare: (Continued)				
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	-	-	29,067	(29,067)
Southside senior citizens center	3,848	3,848	3,848	-
Speical welfare contribution	-	30,000	30,000	-
Total welfare	<u>\$ 6,348</u>	<u>\$ 36,348</u>	<u>\$ 65,415</u>	<u>\$ (29,067)</u>
Total health and welfare	<u>\$ 191,776</u>	<u>\$ 221,776</u>	<u>\$ 250,843</u>	<u>\$ (29,067)</u>
Education:				
Other instructional costs:				
Contributions to Southside Virginia Community College	\$ 8,851	\$ 8,851	\$ 8,851	\$ -
Contributions to BCCC - Surveillance Equipment	-	-	13,978	(13,978)
Contribution to County School Board	6,712,828	7,447,828	7,071,691	376,137
Head Start program	61,240	61,240	61,240	-
JSR-SPC Museum and Archives	-	50,000	50,000	-
Total education	<u>\$ 6,782,919</u>	<u>\$ 7,567,919</u>	<u>\$ 7,205,760</u>	<u>\$ 362,159</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Recreation youth league	\$ 12,505	\$ 12,505	\$ 6,253	\$ 6,252
Water safety council	3,500	7,248	7,248	-
Total parks and recreation	<u>\$ 16,005</u>	<u>\$ 19,753</u>	<u>\$ 13,501</u>	<u>\$ 6,252</u>
Cultural enrichment:				
Chamber of commerce	\$ 6,000	\$ 6,000	\$ 6,000	\$ -
Tourism association	130,883	140,883	128,927	11,956
Taste of Brunswick festival	5,000	5,000	5,000	-
Fort Christanna Preservation	5,000	29,652	-	29,652
Total cultural enrichment	<u>\$ 146,883</u>	<u>\$ 181,535</u>	<u>\$ 139,927</u>	<u>\$ 41,608</u>
Library:				
Contribution to regional library	\$ 184,838	\$ 184,838	\$ 184,838	\$ -
Total parks, recreation, and cultural	<u>\$ 347,726</u>	<u>\$ 386,126</u>	<u>\$ 338,266</u>	<u>\$ 47,860</u>
Community development:				
Planning and community development:				
Planning	\$ 243,500	\$ 300,827	\$ 241,415	\$ 59,412
Small business recovery assistance	-	51,161	51,160	1
COVID assistance to other entities	-	235,653	244,250	(8,597)
Broadband	-	355,126	76,500	278,626
Economic development	236,519	270,121	236,321	33,800
Regional planning commission	23,793	23,793	21,793	2,000
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	<u>\$ 547,313</u>	<u>\$ 1,280,182</u>	<u>\$ 909,940</u>	<u>\$ 370,242</u>

Schedule of Expenditures - Budget and Actual  
Governmental Funds and Discretely Presented Component Unit School Board  
For the Year Ended June 30, 2021 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Community development: (Continued)				
Environmental management:				
Contribution to soil and water district	\$ 11,543	\$ 11,543	\$ 11,543	\$ -
Cooperative extension program:				
Extension office	\$ 81,364	\$ 82,529	\$ 62,922	\$ 19,607
Total community development	\$ 640,220	\$ 1,374,254	\$ 984,405	\$ 389,849
Capital projects:				
Other capital projects	\$ 7,500	\$ 7,500	\$ 7,500	\$ -
Airport renovations	-	358,032	306,062	51,970
Regional library HVAC upgrade	-	178,800	178,800	-
Total capital projects	\$ 7,500	\$ 544,332	\$ 492,362	\$ 51,970
Debt service:				
Principal retirement	\$ 570,736	\$ 570,736	\$ 2,357,736	\$ (1,787,000)
Interest and other fiscal charges	395,546	395,546	365,220	30,326
Costs of issuance	-	-	193,640	(193,640)
Total debt service	\$ 966,282	\$ 966,282	\$ 2,916,596	\$ (1,950,314)
Total General Fund	\$ 23,500,985	\$ 28,233,074	\$ 28,760,518	\$ (527,444)
<b>Special Revenue Funds:</b>				
<b>Virginia Public Assistance Fund:</b>				
Health and welfare:				
Welfare and social services:				
Welfare administration	\$ 1,940,816	\$ 1,880,471	\$ 1,870,960	\$ 9,511
Public assistance	375,482	435,827	439,230	(3,403)
Total welfare and social services	\$ 2,316,298	\$ 2,316,298	\$ 2,310,190	\$ 6,108
Total Virginia Public Assistance Fund	\$ 2,316,298	\$ 2,316,298	\$ 2,310,190	\$ 6,108
<b>Airport Commission Fund:</b>				
Public works:				
Maintenance of general buildings and grounds	\$ 31,469	\$ 31,469	\$ 36,388	\$ (4,919)
Total Airport Commission Fund	\$ 31,469	\$ 31,469	\$ 36,388	\$ (4,919)
<b>Sheriff's Employee Fund:</b>				
Public safety:				
Law enforcement and traffic control:				
Sheriff employee flowers and gifts	\$ -	\$ -	\$ 3,038	\$ (3,038)
Sheriff vending machine supplies	-	-	1,484	(1,484)
Calenders	-	-	3,957	(3,957)
Miscellaneous	-	-	1,055	(1,055)
Total public safety	\$ -	\$ -	\$ 9,534	\$ (9,534)
Total Sheriff's Employee Fund	\$ -	\$ -	\$ 9,534	\$ (9,534)
<b>CSA Fund:</b>				
Health and welfare:				
Welfare and social services:				
Comprehensive services	\$ 1,045,000	\$ 1,045,000	\$ 513,367	\$ 531,633
Total CSA Fund	\$ 1,045,000	\$ 1,045,000	\$ 513,367	\$ 531,633

Schedule of Expenditures - Budget and Actual  
 Governmental Funds and Discretely Presented Component Unit School Board

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Debt Service Fund:</b>				
<b>School Debt Service Fund:</b>				
Debt service:				
Principal retirement	\$ 571,736	\$ 571,736	\$ 1,624,843	\$ (1,053,107)
Interest and other fiscal charges	182,002	182,002	197,025	(15,023)
Total School Debt Service Fund	<u>\$ 753,738</u>	<u>\$ 753,738</u>	<u>\$ 1,821,868</u>	<u>\$ (1,068,130)</u>
<b>Capital Projects Funds:</b>				
<b>County Capital Improvements Fund:</b>				
Capital projects:				
Economic development	\$ -	\$ 581,454	\$ 586,454	\$ (5,000)
Road projects - VDOT	25,000	100,000	50,000	50,000
Alvis Road Housing project	-	27,661	28,811	(1,150)
Administrative fees - Southside planning district commission	-	17,113	17,113	-
Total capital projects	<u>\$ 25,000</u>	<u>\$ 726,228</u>	<u>\$ 682,378</u>	<u>\$ 43,850</u>
Total County Capital Improvements Fund	<u>\$ 25,000</u>	<u>\$ 726,228</u>	<u>\$ 682,378</u>	<u>\$ 43,850</u>
Total Primary Government	<u>\$ 27,672,490</u>	<u>\$ 33,105,807</u>	<u>\$ 34,134,243</u>	<u>\$ (1,028,436)</u>
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Education:				
Instruction costs:				
Elementary and secondary schools	\$ 10,262,725	\$ 10,409,034	\$ 10,123,511	\$ 285,523
Guidance services	399,762	399,762	428,762	(29,000)
Homebound instruction	7,591	7,591	747	6,844
Other instructional costs	1,728,825	3,895,040	3,565,221	329,819
Media services	249,763	249,763	235,858	13,905
Office of the principal	1,127,824	1,127,824	1,099,401	28,423
Total instruction costs	<u>\$ 13,776,490</u>	<u>\$ 16,089,014</u>	<u>\$ 15,453,500</u>	<u>\$ 635,514</u>
Operating costs:				
Administration, attendance and health services	\$ 1,000,770	\$ 1,000,770	\$ 1,183,902	\$ (183,132)
Pupil transportation	2,077,061	2,077,061	1,575,888	501,173
Operation and maintenance of school plant	2,223,987	2,658,987	2,118,019	540,968
School food service and other non-instructional	-	-	203	(203)
Total operating costs	<u>\$ 5,301,818</u>	<u>\$ 5,736,818</u>	<u>\$ 4,878,012</u>	<u>\$ 858,806</u>
Total education	<u>\$ 19,078,308</u>	<u>\$ 21,825,832</u>	<u>\$ 20,331,512</u>	<u>\$ 1,494,320</u>
Capital projects:				
Technology	\$ 1,097,481	\$ 1,476,012	\$ 1,141,350	\$ 334,662
Total capital projects	<u>\$ 1,097,481</u>	<u>\$ 1,476,012</u>	<u>\$ 1,141,350</u>	<u>\$ 334,662</u>
Debt service:				
Principal retirement	\$ 77,464	\$ 77,464	\$ 78,816	\$ (1,352)
Interest and other fiscal charges	4,150	4,150	2,799	1,351
Total debt service	<u>\$ 81,614</u>	<u>\$ 81,614</u>	<u>\$ 81,615</u>	<u>\$ (1)</u>
Total School Operating Fund	<u>\$ 20,257,403</u>	<u>\$ 23,383,458</u>	<u>\$ 21,554,477</u>	<u>\$ 1,828,981</u>

Schedule of Expenditures - Budget and Actual  
 Governmental Funds and Discretely Presented Component Unit School Board  
 For the Year Ended June 30, 2021 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Special Revenue Fund:</b>				
<b>School Cafeteria Fund:</b>				
Education:				
School food services:				
Administration of school food program	\$ 1,378,000	\$ 1,545,479	\$ 964,976	\$ 580,503
Total School Cafeteria Fund	<u>\$ 1,378,000</u>	<u>\$ 1,545,479</u>	<u>\$ 964,976</u>	<u>\$ 580,503</u>
<b>Nonmajor Special Revenue Fund:</b>				
<b>School Activity Funds:</b>				
Education:				
Instructional services:				
Other instructional services	\$ -	\$ -	\$ 84,261	\$ (84,261)
Total School Activity Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,261</u>	<u>\$ (84,261)</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 21,635,403</u>	<u>\$ 24,928,937</u>	<u>\$ 22,603,714</u>	<u>\$ 2,325,223</u>

## **Statistical Information**



**COUNTY OF BRUNSWICK, VIRGINIA**

**Table 1**

Government-Wide Expenses by Function  
Last Ten Fiscal Years

Fiscal Year	General			Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Total
	Government Administration	Judicial Administration	Public Safety								
2011-12	\$ 1,667,583	\$ 908,493	\$ 6,640,400	\$ 1,309,329	\$ 2,532,222	\$ 6,023,084	\$ 300,369	\$ 838,812	\$ 485,231	\$ 20,705,523	
2012-13	1,505,451	1,312,334	6,574,329	1,408,843	2,465,150	5,871,279	252,293	1,570,574	519,431	21,479,684	
2013-14	1,648,242	1,414,529	6,487,385	1,339,319	2,659,973	5,063,297	259,810	3,813,096	800,519	23,486,170	
2014-15	1,579,943	1,307,752	6,000,403	1,306,627	2,567,376	5,262,095	266,468	1,366,109	665,363	20,322,136	
2015-16	1,559,145	1,375,338	7,059,685	1,399,968	2,772,335	5,815,545	257,645	1,010,181	633,693	21,883,535	
2016-17	1,822,713	1,459,765	7,167,141	1,704,854	2,980,849	5,434,742	255,735	677,268	583,281	22,086,348	
2017-18	1,985,432	1,529,147	7,746,153	1,707,126	2,872,766	6,303,988	307,427	855,923	616,694	23,924,656	
2018-19	1,741,196	1,531,103	8,780,522	1,961,707	3,189,487	6,562,690	488,124	1,297,820	803,462	26,356,111	
2019-20	2,426,306	1,653,439	9,675,222	2,197,407	3,242,931	6,381,182	455,194	1,091,047	559,832	27,682,560	
2020-21	2,267,710	1,981,344	10,814,097	2,148,169	3,100,748	8,097,331	432,164	1,113,599	672,560	30,627,722	

COUNTY OF BRUNSWICK, VIRGINIA

Government-Wide Revenues  
Last Ten Fiscal Years

Fiscal Year	PROGRAM REVENUES				GENERAL REVENUES					Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes (2)	Other Local Taxes (1)	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs		
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	
2020-21	3,097,616	7,353,094	962,401	16,390,648	1,950,781	130,317	114,351	1,807,419	31,806,627	

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

(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.  
 (6) In FY21, the County issued debt to advance refund a portion of 2013C bonds and to refund the radio lease debt.

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
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
2020-21	16,502,944	1,950,781	60,364	1,645,194	130,152	1,398,736	522,127	406,259	24,827,152	47,443,709

(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
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%
2020-21		17,588,432		17,256,280	98.11%		339,609		17,595,889	100.04%		687,654	3.91%

(1) Exclusive of penalties and interest.

(2) Includes three most current delinquent tax years.

**COUNTY OF BRUNSWICK, VIRGINIA**

**Table 6**

Assessed Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property and Mobile Homes (1)	Machinery and Tools	Merchants Capital	Public Utility (2)(3)	Total
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
2020-21	1,312,254,960	131,771,760	18,357,400	-	1,025,899,038	2,488,283,158

(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	
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
2020-21		0.53		0.53		3.65		2.64		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:		Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
				Debt Service Monies Available	Net Bonded Debt			
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
2020-21	16,316	2,488,283	13,105,454	-	-	13,105,454	0.53%	803

(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**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Brunswick, Virginia as of and for the year ended June 30, 2021, 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 June 23, 2022. Our report includes a reference to other auditors who audited the financial statements of the school activity funds, as described in our report on the County of Brunswick, Virginia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be material weaknesses.

## Compliance and Other Matters

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

## County of Brunswick, Virginia's Response to Findings

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

## Purpose of this Report

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

*Robinson Faren Cox Associates*

Charlottesville, Virginia  
June 23, 2022



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

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

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

We have audited County of Brunswick, Virginia's compliance with the types of compliance requirements described in the *OMB 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, 2021. 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, 2021.

## 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 Faren Cox Associates*

Charlottesville, Virginia  
June 23, 2022

COUNTY OF BRUNSWICK, VIRGINIA

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Subrecipients
Department of Health and Human Services:				
Direct Payments:				
COVID-19 - Provider Relief Fund	93.498	Not applicable	\$ 7,562	\$ -
Pass Through Payments:				
Virginia Department of Social Services:				
Promoting Safe and Stable Families	93.556	0950119/20	\$ 11,038	\$ -
Refugee and Entrant Assistance - State Administered Programs	93.566	0500120/21	446	-
Low-Income Home Energy Assistance	93.568	0600420/21	31,876	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF Cluster)	93.596	0760120/21	41,238	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900120/21	108	-
Foster Care - Title IV-E	93.658	1100120/21, 1110121	105,285	-
Adoption Assistance	93.659	1120120/21	103,376	-
Social Services Block Grant	93.667	1000120/21	164,619	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150119/20	2,334	-
Children's Health Insurance Program (CHIP)	93.767	0540120/21	2,973	-
Medical Assistance Program (Medicaid Cluster)	93.778	1200120/21	251,602	-
Temporary Assistance for Needy Families (TANF)	93.558	0400120/21	\$ 194,446	-
Virginia Department of Education:				
Temporary Assistance for Needy Families (TANF)	93.558	APE40274	30,630	225,076
Total Department of Health and Human Services-pass through			\$ 939,971	-
Total Department of Health and Human Services			\$ 947,533	-
Department of Agriculture:				
Pass Through Payments:				
Virginia Department of Agriculture and Consumer Services:				
Food Distribution - School Nutrition Program (Child Nutrition Cluster)	10.555	APE40264	\$ 50,647	
Virginia Department of Education:				
COVID-19 - National School Lunch Program (NSLP) (Child Nutrition Cluster)	10.555	APE40264	47,047	\$ 97,694
Summer Food Service Program for Children (Child Nutrition Cluster)	10.559	APE60302/60303	\$ 479,575	
COVID-19 - Summer Food Service Program for Children (Child Nutrition Cluster)	10.559	APE60175/60176	87,038	566,613
COVID-19 - School Breakfast Program (Child Nutrition Cluster)	10.553	APE40263	\$ 28,416	\$ 28,416
Fresh Fruit and Vegetable Program	10.582	APE40252		51,378
Virginia Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	0010120/21, 0040120/21,		334,964
Total Department of Agriculture			\$ 1,079,065	-

COUNTY OF BRUNSWICK, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2021

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Subrecipients
Department of Defense:				
Direct Payments:				
ROTC	12.U00	N/A	\$ 58,097	\$ -
Pass Through Payments:				
Virginia Department of Education:				
Payments to States in Lieu of Real Estate Taxes	12.112	APE42845	\$ 5,122	\$ -
Total Department of Defense			\$ 63,219	\$ -
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 1702	\$ 27,661	
Entitlement Grants in Hawaii	14.228	CAMS 202014	14,063	
	14.228	CAMS 202026 UNCOV	51,992	\$ 93,716
			\$ -	-
Department of Justice:				
Pass Through Payments:				
Virginia Department of Criminal Justice Services:				
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	20-A5049CE20	\$ 50,000	
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	20-A5135CE20	13,819	\$ 63,819
Crime Victim Assistance	16.575	21-Y9272VW19		83,650
Total Department of Justice			\$ 147,469	\$ -
Department of Treasury:				
Pass Through Payments:				
Virginia Department of Accounts:				
COVID-19 - Coronavirus Relief Fund	21.019	SLT0022	\$ 2,764,600	\$ 751,750
Virginia Department of Education:				
COVID-19 - Coronavirus Relief Fund	21.019	APE70056	\$ 251,318	3,015,918
			\$ -	-
U.S. Election Assistance Commission:				
Pass Through Payments:				
Virginia Department of Elections:				
COVID-19 - HAVA Election Security Grants	90.404	Unknown	\$ 18,396	\$ -
Department of Education:				
Pass Through Payments:				
Virginia Department of Education:				
Title I - Grants to Local Educational Agencies	84.010	APE42901	\$ 584,786	\$ -
Special Education Cluster:				
Special Education - Grants to States (IDEA, Part B)	84.027	APE43071/60033	\$ 525,647	
Special Education - Preschool Grants (IDEA Preschool)	84.173	APE62521	12,209	537,856
Career and Technical Education - Basic Grants to States	84.048	APE60031		52,748
Rural Education	84.358	APE43481		15,633
Supporting Effective Instruction State Grants	84.367	APE61480		61,373
School Improvement Grants	84.377	APE43040		285,783
Student Support and Academic Enrichment Program	84.424	APE60024		132,165
COVID-19 - Education Stabilization Fund (ESF) - Governor's Emergency Education Relief Fund	84.425C	APE70037	\$ 109,140	-
COVID-19 - Education Stabilization Fund (ESF) - Elementary and Emergency Education Relief Fund	84.425D	APE60041/60170/ 60173/60177	364,121	473,261
Virginia Polytechnic Institute:				
English Language Acquisition State Grants	84.365	Unknown		2,645
Total Department of Education			\$ 2,146,250	\$ -
Total Expenditures of Federal Awards			\$ 7,511,566	751,750

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, 2021

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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, 2021. 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 - Provider Relief Funds

For fiscal years ended (FYE) on or before June 29, 2021, no Provider Relief Fund (PRF) expenditures (including lost revenue) should have been reported on the SEFA. Based on current guidance from the Department of Health and Human Services (HHS), PRF expenditures (including lost revenue) are to be reported on the SEFA based upon PRF reports submitted through the Health Resources and Services Administration (HRSA) reporting portal. Therefore, the amount of PRF expenditures included on the FYE June 30, 2021 SEFA is based upon the PRF reporting portal guidelines for Period 1, as specified by HHS.

Note 5 - Subrecipients

CRF funds totaling \$751,750 were passed through to various subrecipients such as Fire and EMS organizations, Towns, and other 501c3 entities.

Note 6 - Indirect Costs

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

Note 7 - Donated PPE (Unaudited)

The County received donated PPE with an estimated fair market value of \$20,000 during the year.

Note 8 - 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	\$ 3,051,773
Special Revenue Funds:	
Virginia Public Assistance Fund	1,165,851
CSA Fund	9,138
Debt Service Funds:	
Debt Service Fund	92,152
Capital Projects Funds:	
County Capital Improvements Fund	41,724
Total primary government	\$ 4,360,638

Component Unit School Board:

School Operating Fund	\$ 2,491,417
School Cafeteria Fund	744,101
Total component unit School Board	\$ 3,235,518

Total federal expenditures per basic financial statements \$ 7,596,156

Reconciling Items:

Federal interest subsidy	\$ (92,152)
HHS Provider Relief Funds	7,562
Total reconciling items	\$ (84,590)

Total federal expenditures per the Schedule of Expenditures of Federal Awards \$ 7,511,566

**COUNTY OF BRUNSWICK, VIRGINIA**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2021

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

**Financial Statements**

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

**Federal Awards**

Internal control over major programs: Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported

Type of auditors' report issued on compliance for major programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No
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Identification of major programs:

<u>Assistance Listing #</u>	<u>Name of Federal Program or Cluster</u>
21.019	COVID-19 - Coronavirus Relief Fund

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

**2021-001**

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



**COUNTY OF BRUNSWICK, VIRGINIA**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2021 (Continued)

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**SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)**

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

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

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

**COUNTY OF BRUNSWICK, VIRGINIA**

Summary Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2021

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There were no federal award findings reported for the year ended June 30, 2020.