

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Surry, Virginia, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Restatement of Beginning Balances*

As described in Note 22 to the financial statements, in 2020, the County restated beginning balances to reflect the transfer of assets recorded as Governmental Activities construction in progress to the School Board. 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 4-11, 82, and 83-100 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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 Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Surry, Virginia's basic financial statements. The introductory section, other supplementary information, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U. S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.



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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To the Honorable Members of the Board of Supervisors  
County of Surry  
Surry, 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 business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Surry, Virginia, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise County of Surry, Virginia's basic financial statements, and have issued our report thereon dated November 27, 2020.

#### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered County of Surry, 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 Surry, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Surry, Virginia's internal control.

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

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



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

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To the Honorable Members of the Board of Supervisors  
County of Surry  
Surry, Virginia

Report on Compliance for Each Major Federal Program

We have audited County of Surry, 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 Surry, Virginia's major federal programs for the year ended June 30, 2020. County of Surry, 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 available to its federal programs.

*Auditors' Responsibility*

Our responsibility is to express an opinion on compliance for each of County of Surry, 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 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 Surry, 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 Surry, Virginia's compliance.

*Opinion on Each Major Federal Program*

In our opinion, County of Surry, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

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

	<u>General</u>	<u>County Capital Projects</u>	<u>Other Governmental</u>	<u>Total</u>
<b>REVENUES</b>				
General property taxes	\$ 22,023,784	\$ -	\$ -	\$ 22,023,784
Other local taxes	1,118,145	-	-	1,118,145
Permits, privilege fees, and regulatory licenses	38,408	-	-	38,408
Fines and forfeitures	31,272	-	-	31,272
Revenue from the use of money and property	314,222	138,268	76	452,566
Charges for services	229,217	-	-	229,217
Miscellaneous	158,822	150,000	6,707	315,529
Recovered costs	35,967	-	-	35,967
Intergovernmental:				
Commonwealth	2,629,458	-	-	2,629,458
Federal	1,107,833	967,420	-	2,075,253
Total revenues	<u>\$ 27,687,128</u>	<u>\$ 1,255,688</u>	<u>\$ 6,783</u>	<u>\$ 28,949,599</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 1,858,332	\$ -	\$ -	\$ 1,858,332
Judicial administration	660,930	-	-	660,930
Public safety	3,543,384	-	-	3,543,384
Public works	1,564,133	-	-	1,564,133
Health and welfare	3,029,935	-	-	3,029,935
Education	12,106,306	-	-	12,106,306
Parks, recreation, and cultural	628,855	-	-	628,855
Community development	728,830	-	26,375	755,205
Capital projects	-	7,554,938	-	7,554,938
Debt service:				
Principal retirement	1,165,000	-	-	1,165,000
Interest and other fiscal charges	933,265	-	-	933,265
Total expenditures	<u>\$ 26,218,970</u>	<u>\$ 7,554,938</u>	<u>\$ 26,375</u>	<u>\$ 33,800,283</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,468,158</u>	<u>\$ (6,299,250)</u>	<u>\$ (19,592)</u>	<u>\$ (4,850,684)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ 2,678,618	\$ 100,000	\$ 2,778,618
Transfers out	(2,888,233)	-	-	(2,888,233)
Total other financing sources (uses)	<u>\$ (2,888,233)</u>	<u>\$ 2,678,618</u>	<u>\$ 100,000</u>	<u>\$ (109,615)</u>
Net change in fund balances	\$ (1,420,075)	\$ (3,620,632)	\$ 80,408	\$ (4,960,299)
Fund balances - beginning	20,394,726	2,862,065	476,059	23,732,850
Fund balances - ending	<u>\$ 18,974,651</u>	<u>\$ (758,567)</u>	<u>\$ 556,467</u>	<u>\$ 18,772,551</u>

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

COUNTY OF SURRY, VIRGINIA  
Property Tax Levies and Collections  
Last Ten Fiscal Years

Table 6

Fiscal Year	Taxes Levied for the Fiscal Year (1)	Collections within the Fiscal Year of the Levy		Adjustments to Levy in Subsequent Years	Total Adjusted Levy	Collections in Subsequent Years	Total Collections to Date	
		Amount (2)	Percentage of Levy				Amount (2)	Percentage of Levy
2020	\$ 22,050,583	\$ 21,635,774	98.12%	\$ -	22,050,583	\$ -	21,635,774	98.12%
2019	21,468,868	21,132,164	98.43%	-	21,468,868	\$ -	21,132,164	98.43%
2018	21,954,582	21,554,346	98.18%	-	21,954,582	-	21,554,346	98.18%
2017	22,454,884	21,909,904	97.57%	-	22,454,884	-	21,909,904	97.57%
2016	21,650,045	20,775,506	95.96%	-	21,650,045	-	20,775,506	95.96%
2015	20,874,695	20,472,352	98.07%	-	20,874,695	-	20,472,352	98.07%
2014	21,112,323	20,890,125	98.95%	-	21,112,323	-	20,890,125	98.95%
2013	20,979,443	20,761,624	98.96%	-	20,979,443	-	20,761,624	98.96%
2012	20,588,020	19,790,059	96.12%	(3,640)	20,584,380	731,261	20,521,320	99.68%
2011	18,793,552	18,272,180	97.23%	(1,037)	18,792,515	370,230	18,642,410	99.20%

Notes:

- (1) Commissioner of the Revenue
- (2) Exclusive of Penalties and Interest