



FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2010



**COUNTY OF GREENSVILLE, VIRGINIA**

**FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2010**



COUNTY OF GREENSVILLE, VIRGINIA

Financial Report  
Year Ended June 30, 2010

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**COUNTY OF GREENSVILLE, VIRGINIA**

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**BOARD OF SUPERVISORS**

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Peggy R. Wiley, Chairman

Michael W. Ferguson, Vice-Chairman

Margaret T. Lee, Ed. D.

James C. Vaughan

**COUNTY SCHOOL BOARD**

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Danny Rook, Chairman

Marguerite Burton, Vice-Chairman

Jennifer Moore  
Tony Conwell

Janey V. Bush  
Donati High

**OTHER OFFICIALS**

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Judge of the Circuit Court  
Clerk of the Circuit Court  
Judge of the General District Court  
Commonwealth's Attorney  
Commissioner of the Revenue  
Interim Treasurer  
Sheriff  
Superintendent of Schools  
Interim Director of Public Welfare  
County Administrator

Robert G. O'Hara, Jr.  
Robert C. Wrenn  
Gammil Poindexter  
Patricia T. Watson  
Martha S. Swenson  
Pam Lifsey  
J.R. Edwards, Jr.  
Dr. Phillip L. Worrell  
James Oliver  
K. David Whittington





# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## Independent Auditors' Report

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**The Honorable Members of The Board of Supervisors  
County of Greensville, Virginia  
Emporia, Virginia**

We have audited the accompanying 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 the County of Greensville, Virginia, as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Greensville, Virginia's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Greensville, Virginia, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2011, on our consideration of the County of Greensville, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, budgetary comparison information and the Schedules of Funding Progress as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Greensville, Virginia, basic financial statements. The other supplementary information, including the other statistical information, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the County of Greensville, Virginia. The other supplementary information, excluding the statistical information, and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on it.

*Robinson, Farmer, & Associates*

Charlottesville, Virginia

January 4, 2011

## Management's Discussion and Analysis

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### To the Citizens of Greensville County County of Greensville, Virginia

As management of the County of Greensville, 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, 2010.

### Financial Highlights

#### Government-wide Financial Statements

- The assets of the County (Governmental and Business-type activities) exceeded its liabilities at the close of the most recent fiscal year by \$33,157,667 (net assets) compared to \$30,249,211 in the prior year, an increase of \$2,908,456.
- Our combined (governmental and business-type activities) long-term obligations decreased by a net of \$1,215,435 during the current fiscal year. The decrease is due to the payment of principal of existing debt.

#### Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported revenues and other financing sources in excess of expenditures by \$356,338 (Exhibit 5) after making contributions totaling \$1,674,455 (net of adjustment) to the School Board. In the prior year, fund balance decreased by \$1,374,659.

- As of the close of the current fiscal year; the County's funds reported ending fund balances of \$1,677,356, a decrease of \$356,338 in comparison with the prior year. The major use of fund balance can be attributed to the continued work on the Southside Virginia Workforce Center and District 19 Clinic capital projects.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$1,612,505, or 10% of total general fund expenditures.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

## Overview of the Financial Statements (Continued)

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.

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

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

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

The Government-wide financial statements include not only the County of Greenville, Virginia itself (known as the primary government), but also a legally separate school district, an Industrial Development Authority, and a Joint Department of Social Services for which the County of Greenville, Virginia is financially accountable. Financial information for these component units is reported separately from the financial information present for the primary government itself.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Greenville, 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 funds and proprietary 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, reconciliation between the two methods is provided on Exhibit 4. The County has two major governmental funds - the General Fund and the Capital Projects Fund.

Proprietary funds - Proprietary funds consist of enterprise funds. Enterprise funds are established to account for the delivery of goods and services to the general public and use the accrual basis of accounting, similar to private sector business. The Solid Waste fund provides waste services to County residents. The Water and Sewer Authority provides water services to area residents. Refer to the separately issued financial statements of the Water and Sewer Authority for further analysis and note disclosures.

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.

## Overview of the Financial Statements (Continued)

Other information - In addition to the basic financial statement and accompanying notes, this report also presents in summary from the discretely presented component units: School Board, Department of Social Services, and the Industrial Development Authority. All three component units issue separate reports and therefore are presented in summary form in the Government-wide financial statements.

### Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a County's financial position. In the case of the County, (government and business-type) total assets exceeded total liabilities by \$33,157,667 at the close of the fiscal year ended June 30, 2010.

#### County of Greenville, Virginia's Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Current and other assets	\$ 10,657,865	\$ 4,004,492	\$ 7,583,610	\$ 5,866,718
Capital assets	36,895,838	36,892,398	31,650,931	30,882,713
Total assets	<u>\$ 47,553,703</u>	<u>\$ 40,896,890</u>	<u>\$ 39,234,541</u>	<u>\$ 36,749,431</u>
Long-term liabilities outstanding	\$ 32,136,268	\$ 33,277,132	\$ 12,168,140	\$ 12,242,711
Current liabilities	8,833,477	1,570,316	492,692	306,951
Total liabilities	<u>\$ 40,969,745</u>	<u>\$ 34,847,448</u>	<u>\$ 12,660,832</u>	<u>\$ 12,549,662</u>
Net assets:				
Invested in capital assets, net of related debt	\$ 5,444,436	\$ 5,587,281	\$ 22,385,654	\$ 21,066,707
Restricted for:				
Debt Service	992,798	998,541	-	-
Unrestricted	<u>146,724</u>	<u>(536,380)</u>	<u>4,188,055</u>	<u>3,133,062</u>
Total net assets	<u>\$ 6,583,958</u>	<u>\$ 6,049,442</u>	<u>\$ 26,573,709</u>	<u>\$ 24,199,769</u>

At the end of the current fiscal year, the County's investment in capital assets, net of related debt, is \$5,444,436. This decrease can be attributed to the repayment of principal on outstanding bonds and notes and additional capital outlays and building projects. The unrestricted net assets of governmental activities at June 30, 2010 is \$146,724.

## Government-wide Financial Analysis (Continued)

The total net assets of the County increased \$2,908,456. Key elements of this increase are as follows:

### County of Greenville, Virginia's Change in Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues:				
Program revenues:				
Charges for services	\$ 1,780,329	\$ 1,709,835	\$ 3,864,357	\$ 4,039,803
Operating grants and contributions	1,678,137	1,699,926	-	-
Capital grants and contributions	1,985,897	1,547,855	1,184,708	185,829
General revenues:				
Property taxes	5,807,692	5,665,479	-	-
Other local taxes	1,447,080	1,692,677	-	-
Other revenue	416,141	311,149	73,687	40,348
Grants and other contributions unrestricted	<u>2,228,992</u>	<u>2,182,844</u>	<u>2,011,283</u>	<u>9,558</u>
Total revenues	<u>\$ 15,344,268</u>	<u>\$ 14,809,765</u>	<u>\$ 7,134,035</u>	<u>\$ 4,275,538</u>
Expenses:				
General government	\$ 462,287	\$ 902,157	\$ -	\$ -
Judicial administration	933,390	912,115	-	-
Public safety	3,731,815	2,896,672	-	-
Public works	1,268,511	1,638,935	4,760,095	4,421,988
Health and welfare	1,209,307	555,967	-	-
Education	3,080,160	5,009,079	-	-
Parks, recreation and culture	230,567	237,994	-	-
Community development	2,746,961	2,123,911	-	-
Interest	<u>1,146,754</u>	<u>1,334,775</u>	<u>-</u>	<u>-</u>
Total expenses	<u>\$ 14,809,752</u>	<u>\$ 15,611,605</u>	<u>\$ 4,760,095</u>	<u>\$ 4,421,988</u>
Increase (decrease) in net assets	\$ 534,516	\$ (801,840)	\$ 2,373,940	\$ (146,450)
Net assets - beginning	<u>6,049,442</u>	<u>6,851,282</u>	<u>24,199,769</u>	<u>24,346,219</u>
Net assets - ending	<u>\$ 6,583,958</u>	<u>\$ 6,049,442</u>	<u>\$ 26,573,709</u>	<u>\$ 24,199,769</u>

For the most part, increases in governmental activities revenues and expenditures closely paralleled inflation and growth in the demand for services causing a net asset increase of \$534,516 in governmental activities only. The net assets of business-type activities increased \$2,373,940 due to proceeds from a lawsuit settlement.

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

The County's business-type activities experienced natural growth in expenses due to inflation and a decrease in revenues due to water-saving measures taken by a major customer.

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

## Government-wide Financial Analysis (Continued)

As of the end of the current fiscal year, the County's governmental funds reported fund balances of \$1,677,356, a decrease of \$356,338 in comparison with the prior year. Approximately 56% of this total amount constitutes unreserved fund balance, which is available for spending at the County's discretion. The remainder of fund balance is reserved to indicate that is not available for new spending because it has already been committed for debt service and education. The decrease in fund balance can be attributed to continued use of funds for capital projects.

### Proprietary funds

The County's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

### General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were \$2,850,510 and can be briefly summarized as follows:

- \$1,132,237 in increases in Public Safety
- \$1,567,927 in increases in Community Development
- \$150,346 in other budget increases and decreases

### Capital Asset and Debt Administration

- Capital assets - The County's investment in capital assets for its governmental operations as of June 30, 2009 amounted to \$36,895,838 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment. The following is a comparison to prior year of net capital assets as of June 30, 2010:

#### County of Greensville, Virginia's Capital Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land	\$ 1,295,528	\$ 1,295,528	\$ 441,589	\$ 441,589
Land and landfill improvements	-	-	1,076,107	1,076,107
Infrastructure	-	-	36,558,073	35,841,237
Land improvements	1,416,126	1,142,482	-	-
Buildings and improvements	15,285,748	12,077,089	2,803,808	2,803,808
Equipment	2,310,222	2,180,887	2,013,006	1,497,723
Tenancy in common (buildings)	6,197,369	7,511,797	-	-
Construction in progress	<u>17,604,424</u>	<u>19,097,458</u>	<u>1,210,188</u>	<u>755,066</u>
Total	\$ 44,109,417	\$ 43,305,241	\$ 44,102,771	\$ 42,415,530
Less accumulated depreciation	<u>(7,213,579)</u>	<u>(6,412,843)</u>	<u>(12,451,840)</u>	<u>(11,532,817)</u>
Net capital assets	<u>\$ 36,895,838</u>	<u>\$ 36,892,398</u>	<u>\$ 31,650,931</u>	<u>\$ 30,882,713</u>

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

## Capital Asset and Debt Administration: (Continued)

Long-term debt - At the end of the current fiscal year, the County had total governmental activities debt outstanding of \$32,136,268. Of this amount \$13,697,369 comprises debt backed by the full faith and credit of the County, (bonded debt). The remainder of the County's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds). The following table depicts a comparison of outstanding debt to prior year.

### County of Greensville, Virginia's Outstanding Debt

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Literary loans	\$ 7,425,000	\$ 8,000,000	\$ -	\$ -
VPSA bonds	6,272,369	7,011,797	-	-
Revenue bonds	15,277,573	14,965,000	9,007,680	9,456,762
Loans payable	2,651,548	2,701,049	184,331	194,382
Landfill closure/post-closure	-	-	2,685,232	2,222,138
Compensated absences	228,130	227,009	212,632	193,511
Other Post-Employment Benefits	31,966	16,000	5,000	-
Capital leases	249,682	356,277	73,265	175,918
Total	\$ <u>32,136,268</u>	\$ <u>33,277,132</u>	\$ <u>12,168,140</u>	\$ <u>12,242,711</u>

Legislation enacted requires that debt historically reported by the School Board has been assumed by the primary government. The legislation affects the reporting of local school capital assets as well.

The County's total debt decreased by a net of \$1,215,435 during the current fiscal year. Governmental activities debt decreased \$1,140,864 due to principal payments while business-type activities debt decreased \$74,571 due to repayment of principal due on revenue bonds/and an increase in the landfill closure liability.

Additional information on the County of Greensville, Virginia's long-term debt can be found in Note 6 of this report.

### Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the County at June 30, 2010 was 9.8 percent, which is an increase from a rate of 9.4 percent a year ago. This compares unfavorably to the state's average unemployment rate of 7.1 percent and unfavorably to the national average rate of 9.6 percent.

Inflationary trends in the region compare favorably to national indices.

The fiscal year 2011 General Fund budget increased from \$13,662,739 to \$14,054,181 or \$391,442 (3%). Fiscal year 2011 tax rates are as follows: \$0.45/\$100 Real Estate; \$4.50/\$100 Personal Property; \$4.00/\$100 Machinery and Tools; \$0.50/\$100 Aircraft.

### Requests for Information

This financial report is designed to provide a general overview of the County of Greensville, 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, 1781 Greensville County Circle, Emporia, Virginia, 23847.



## **BASIC FINANCIAL STATEMENTS**

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## **Government-wide Financial Statements**

COUNTY OF GREENSVILLE, VIRGINIA

Statement of Net Assets

June 30, 2010

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 6,791,138	\$ 6,791,138
Receivables (net of allowance for uncollectibles):			
Taxes receivable	7,087,082	-	7,087,082
Accounts receivable	179,277	543,148	722,425
Notes receivable	-	-	-
Settlement receivable	-	139,374	139,374
Loan receivable	-	19,613	19,613
Lease receivable	-	-	-
Due from component units	1,235,995	-	1,235,995
Long-term advance to Greensville County School Board	280,000	-	280,000
Due from other governmental units	457,943	-	457,943
Due from City of Emporia, Virginia	-	-	-
Prepaid expenses	-	-	-
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	1,417,568	-	1,417,568
Other assets:			
Other assets	-	90,337	90,337
Investment in industrial land	-	-	-
Capital assets (net of accumulated depreciation):			
Land	1,295,528	441,589	1,737,117
Buildings and system	16,439,446	-	16,439,446
Property, plant and equipment	-	29,999,154	29,999,154
Improvements other than buildings	1,213,858	-	1,213,858
Machinery and equipment	342,582	-	342,582
Construction in progress	17,604,424	1,210,188	18,814,612
Total assets	<u>\$ 47,553,703</u>	<u>\$ 39,234,541</u>	<u>\$ 86,788,244</u>
<b>LIABILITIES</b>			
Reconciled overdraft payable	\$ 1,151,047	\$ -	\$ 1,151,047
Accounts payable	360,163	408,982	769,145
Accrued liabilities	-	-	-
Accrued interest payable	495,992	83,710	579,702
Due to primary government	-	-	-
Long-term advance from Greensville County	-	-	-
Long-term advance from Emporia	-	-	-
Unearned revenue	6,826,275	-	6,826,275
Long-term liabilities:			
Due within one year	1,953,049	555,730	2,508,779
Due in more than one year	30,183,219	11,612,410	41,795,629
Total liabilities	<u>\$ 40,969,745</u>	<u>\$ 12,660,832</u>	<u>\$ 53,630,577</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	\$ 5,444,436	\$ 22,385,654	\$ 27,830,090
Restricted for:			
Debt service	992,798	-	992,798
Employee benefits	-	-	-
Industry	-	-	-
Unrestricted (deficit)	146,724	4,188,055	4,334,779
Total net assets	<u>\$ 6,583,958</u>	<u>\$ 26,573,709</u>	<u>\$ 33,157,667</u>

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

Exhibit 1

Component Units		
School Board	Department of Social Services	Industrial Development Authority
\$ 2,734,442	\$ 633,930	\$ 125,664
-	-	-
-	-	-
-	-	34,999
-	-	-
-	-	-
-	-	7,500
-	-	-
-	-	-
1,672,316	329,773	-
219,830	350,583	-
339,791	-	-
554,274	14,165	514,594
-	-	-
-	-	171,886
442,775	-	-
8,595,300	-	3,519,157
-	-	-
-	-	-
1,493,623	3,181	-
455,703	-	-
<u>\$ 16,508,054</u>	<u>\$ 1,331,632</u>	<u>\$ 4,373,800</u>
\$ -	\$ -	\$ -
615,434	1,270	3,518
1,905,314	-	-
-	-	-
519,135	677,157	39,703
280,000	-	-
220,000	-	-
-	-	-
-	19,155	161,822
106,595	172,398	2,286,234
<u>\$ 3,646,478</u>	<u>\$ 869,980</u>	<u>\$ 2,491,277</u>
\$ 10,987,401	\$ 3,181	\$ 1,071,101
-	-	-
-	14,165	-
-	-	514,594
1,874,175	444,306	296,828
<u>\$ 12,861,576</u>	<u>\$ 461,652</u>	<u>\$ 1,882,523</u>

COUNTY OF GREENSVILLE, VIRGINIA

Statement of Activities  
For the Year Ended June 30, 2010

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	\$ 462,287	\$ 29,832	\$ 222,641	\$ -
Judicial administration	933,390	289,595	611,539	-
Public safety	3,731,815	1,378,057	838,957	58,776
Public works	1,268,511	82,845	-	-
Health and welfare	1,209,307	-	-	-
Education	3,080,160	-	-	-
Parks, recreation, and cultural	230,567	-	-	-
Community development	2,746,961	-	5,000	1,927,121
Interest on long-term debt	1,146,754	-	-	-
Total governmental activities	\$ 14,809,752	\$ 1,780,329	\$ 1,678,137	\$ 1,985,897
Business-type activities:				
Solid Waste	\$ 1,162,041	\$ 744,324	\$ -	\$ -
Water and Sewer Authority	3,598,054	3,120,033	-	1,184,708
Total business-type activities	\$ 4,760,095	\$ 3,864,357	\$ -	\$ 1,184,708
Total primary government	\$ 19,569,847	\$ 5,644,686	\$ 1,678,137	\$ 3,170,605
<b>Component Units:</b>				
School Board	\$ 26,887,383	\$ 3,643,443	\$ 21,244,252	\$ -
Department of Social Services	3,529,626	-	3,538,871	-
Industrial Development Authority	436,372	297,396	-	257,327
Total component units	\$ 30,853,381	\$ 3,940,839	\$ 24,783,123	\$ 257,327
General revenues:				
General property taxes				
Other local taxes:				
Consumer utility				
Local sales and use taxes				
Business license taxes				
Motor vehicle licenses				
Other local taxes				
Unrestricted revenues from use of money and property				
Miscellaneous				
Grants and contributions not restricted to specific programs				
Total general revenues				
Change in net assets				
Net assets - beginning				
Net assets - ending				

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

Net (Expense) Revenue and Changes in Net Assets					
Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	School Board	Department of Social Services	Industrial Development Authority
\$ (209,814)	\$ -	\$ (209,814)	\$ -	\$ -	\$ -
(32,256)	-	(32,256)	-	-	-
(1,456,025)	-	(1,456,025)	-	-	-
(1,185,666)	-	(1,185,666)	-	-	-
(1,209,307)	-	(1,209,307)	-	-	-
(3,080,160)	-	(3,080,160)	-	-	-
(230,567)	-	(230,567)	-	-	-
(814,840)	-	(814,840)	-	-	-
(1,146,754)	-	(1,146,754)	-	-	-
<u>\$ (9,365,389)</u>	<u>\$ -</u>	<u>\$ (9,365,389)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ (417,717)	\$ (417,717)	\$ -	\$ -	\$ -
-	706,687	706,687	-	-	-
<u>\$ -</u>	<u>\$ 288,970</u>	<u>\$ 288,970</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ (9,365,389)</u>	<u>\$ 288,970</u>	<u>\$ (9,076,419)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (1,999,688)	\$ -	\$ -
-	-	-	-	9,245	-
-	-	-	-	-	118,351
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,999,688)</u>	<u>\$ 9,245</u>	<u>\$ 118,351</u>
\$ 5,807,692	\$ -	\$ 5,807,692	\$ -	\$ -	\$ -
292,284	-	292,284	-	-	-
407,919	-	407,919	-	-	-
267,375	-	267,375	-	-	-
190,458	-	190,458	-	-	-
289,044	-	289,044	-	-	-
151,347	47,871	199,218	12,754	1,186	6,611
264,794	25,816	290,610	278,696	-	88,829
2,228,992	2,011,283	4,240,275	3,393,406	606	8,238
<u>\$ 9,899,905</u>	<u>\$ 2,084,970</u>	<u>\$ 11,984,875</u>	<u>\$ 3,684,856</u>	<u>\$ 1,792</u>	<u>\$ 103,678</u>
\$ 534,516	\$ 2,373,940	\$ 2,908,456	\$ 1,685,168	\$ 11,037	\$ 222,029
6,049,442	24,199,769	30,249,211	11,176,408	450,615	1,660,494
<u>\$ 6,583,958</u>	<u>\$ 26,573,709</u>	<u>\$ 33,157,667</u>	<u>\$ 12,861,576</u>	<u>\$ 461,652</u>	<u>\$ 1,882,523</u>

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## **Fund Financial Statements**

Balance Sheet  
 Governmental Funds  
 June 30, 2010

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Receivables (net of allowance for uncollectibles):			
Taxes receivable	7,087,082	-	7,087,082
Accounts receivable	179,277	-	179,277
Due from component units	1,196,292	39,703	1,235,995
Long-term advance to Greensville County School Board	280,000	-	280,000
Due from other governmental units	457,943	-	457,943
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	992,798	-	992,798
Total assets	<u>\$ 10,193,392</u>	<u>\$ 39,703</u>	<u>\$ 10,233,095</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Reconciled overdraft payable	\$ 74,010	\$ 1,077,037	\$ 1,151,047
Accounts payable	189,550	170,613	360,163
Deferred revenue	7,044,529	-	7,044,529
Total liabilities	<u>\$ 7,308,089</u>	<u>\$ 1,247,650</u>	<u>\$ 8,555,739</u>
Fund balances:			
Reserved for:			
Debt service	\$ 992,798	\$ -	\$ 992,798
Education	280,000	-	280,000
Unreserved, reported in:			
General fund	1,612,505	-	1,612,505
CSA fund	-	-	-
Capital projects funds	-	(1,207,947)	(1,207,947)
Total fund balances	<u>\$ 2,885,303</u>	<u>\$ (1,207,947)</u>	<u>\$ 1,677,356</u>
Total liabilities and fund balances	<u>\$ 10,193,392</u>	<u>\$ 39,703</u>	<u>\$ 10,233,095</u>

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

Reconciliation of the Balance Sheet of Governmental Funds  
 To the Statement of Net Assets  
 June 30, 2010

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	1,677,356	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			36,895,838
Unspent bond proceeds used for construction by the component unit school board and other assets and liabilities are reported as assets and liabilities of the primary government on the statement of net assets.			424,770
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.			218,254
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:			
Accrued interest payable	\$	(495,992)	
Long-term liabilities		<u>(32,136,268)</u>	<u>(32,632,260)</u>
Net assets of governmental activities	\$		<u><u>6,583,958</u></u>

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, 2010

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<b>REVENUES</b>			
General property taxes	\$ 5,739,894	\$ -	\$ 5,739,894
Other local taxes	1,447,080	-	1,447,080
Permits, privilege fees, and regulatory licenses	42,772	-	42,772
Fines and forfeitures	1,329,899	-	1,329,899
Revenue from the use of money and property	144,863	-	144,863
Charges for services	407,658	-	407,658
Miscellaneous	152,423	112,371	264,794
Recovered costs	1,128,192	-	1,128,192
Intergovernmental revenues:			
Local government	-	-	-
Commonwealth	4,171,840	141,527	4,313,367
Federal	1,170,171	409,488	1,579,659
Total revenues	<u>\$ 15,734,792</u>	<u>\$ 663,386</u>	<u>\$ 16,398,178</u>
<b>EXPENDITURES</b>			
Current:			
General government administration	\$ 1,689,087	\$ -	\$ 1,689,087
Judicial administration	1,054,084	-	1,054,084
Public safety	3,754,715	-	3,754,715
Public works	1,459,859	-	1,459,859
Health and welfare	486,535	-	486,535
Education	1,770,926	-	1,770,926
Parks, recreation, and cultural	230,567	-	230,567
Community development	2,168,369	-	2,168,369
Nondepartmental	6,656	-	6,656
Capital projects	-	1,844,566	1,844,566
Debt service:			
Principal retirement	1,928,562	-	1,928,562
Interest and other fiscal charges	1,131,201	-	1,131,201
Total expenditures	<u>\$ 15,680,561</u>	<u>\$ 1,844,566</u>	<u>\$ 17,525,127</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 54,231</u>	<u>\$ (1,181,180)</u>	<u>\$ (1,126,949)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds of loans payable	<u>\$ -</u>	<u>\$ 770,611</u>	<u>\$ 770,611</u>
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 770,611</u>	<u>\$ 770,611</u>
Net change in fund balances	\$ 54,231	\$ (410,569)	\$ (356,338)
Fund balances - beginning	<u>2,831,072</u>	<u>(797,378)</u>	<u>2,033,694</u>
Fund balances - ending	<u><u>\$ 2,885,303</u></u>	<u><u>\$ (1,207,947)</u></u>	<u><u>\$ 1,677,356</u></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, 2010

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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 \$ (356,338)

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 outlay exceeded depreciation in the current period:

Capital asset additions	\$ 2,118,604	
Depreciation expense	(746,270)	
Net transfer of assets to School Board	<u>(1,368,894)</u>	3,440

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 67,798

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Proceeds from issuances of new debt	\$ (770,611)	
Principal paid on long-term obligations	<u>1,928,562</u>	1,157,951

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.

Net School Board activity	\$ (305,695)	
(Increase) in accrued interest payable	(15,553)	
(Increase) in accrued leave	(1,121)	
(Increase) in OPEB liability	<u>(15,966)</u>	<u>(338,335)</u>

Change in net assets of governmental activities \$ 534,516

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

Statement of Net Assets  
 Proprietary Funds  
 June 30, 2010

	Enterprise Funds		
	Solid Waste	Water & Sewer Authority	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 4,058,776	\$ 2,388,652	\$ 6,447,428
Cash with fiscal agent	-	343,710	343,710
Accounts receivable, net of allowance for uncollectibles	111,118	432,030	543,148
Settlement receivable	-	139,374	139,374
Loan receivable	-	19,613	19,613
Total current assets	\$ 4,169,894	\$ 3,323,379	\$ 7,493,273
Noncurrent assets:			
Other assets	\$ -	\$ 90,337	\$ 90,337
Capital assets:			
Land	-	441,589	441,589
Property, plant and equipment	3,985,173	38,465,821	42,450,994
Less accumulated depreciation	(1,195,660)	(11,256,180)	(12,451,840)
Construction in progress	-	1,210,188	1,210,188
Total capital assets	\$ 2,789,513	\$ 28,861,418	\$ 31,650,931
Total noncurrent assets	\$ 2,789,513	\$ 28,951,755	\$ 31,741,268
Total assets	\$ 6,959,407	\$ 32,275,134	\$ 39,234,541
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued expenses	\$ 2,624	\$ 406,358	\$ 408,982
Accrued interest payable	-	83,710	83,710
Current portion of long-term obligations	1,626	554,104	555,730
Total current liabilities	\$ 4,250	\$ 1,044,172	\$ 1,048,422
Noncurrent liabilities:			
Accrued closure and postclosure landfill costs	\$ 2,685,232	\$ -	\$ 2,685,232
Compensated absences - net of current portion	14,632	176,737	191,369
Other long-term liabilities - net of current portion	-	8,735,809	8,735,809
Total noncurrent liabilities	\$ 2,699,864	\$ 8,912,546	\$ 11,612,410
Total liabilities	\$ 2,704,114	\$ 9,956,718	\$ 12,660,832
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	\$ 2,789,513	\$ 19,596,141	\$ 22,385,654
Unrestricted	1,465,780	2,722,275	4,188,055
Total net assets	\$ 4,255,293	\$ 22,318,416	\$ 26,573,709

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

Statement of Revenues, Expenses, and Changes in Fund Net Assets  
 Proprietary Funds  
 For the Year Ended June 30, 2010

	Enterprise Funds		
	Solid Waste	Water & Sewer Authority	Total
<b>OPERATING REVENUES</b>			
Charges for services:			
Disposal fees	\$ 741,019	\$ -	\$ 741,019
Metered sales - water	-	1,385,150	1,385,150
User fees - sewer	-	1,630,770	1,630,770
Penalty	23	35,060	35,083
Other revenues	3,282	69,053	72,335
Total operating revenues	\$ 744,324	\$ 3,120,033	\$ 3,864,357
<b>OPERATING EXPENSES</b>			
Personnel services	\$ 203,813	\$ -	\$ 203,813
Fringe benefits	66,976	-	66,976
Contractual services	112,857	-	112,857
Internal services	80,000	-	80,000
Other charges	87,427	-	87,427
Water and sewer operations	-	2,337,734	2,337,734
Depreciation	147,874	771,149	919,023
Amortization	-	17,272	17,272
Landfill closure costs	463,094	-	463,094
Total operating expenses	\$ 1,162,041	\$ 3,126,155	\$ 4,288,196
Operating income (loss)	\$ (417,717)	\$ (6,122)	\$ (423,839)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Intergovernmental revenue	\$ 7,844	\$ -	\$ 7,844
Settlement income	-	2,003,439	2,003,439
Interest expense	-	(464,107)	(464,107)
Interest income	1,997	45,874	47,871
Other non-operating revenues	-	25,816	25,816
Other non-operating expenses	-	(7,792)	(7,792)
Total nonoperating revenues (expenses)	\$ 9,841	\$ 1,603,230	\$ 1,613,071
Income before grants and capital contributions	(407,876)	1,597,108	1,189,232
Capital contributions and connection charges	\$ -	\$ 1,144,708	\$ 1,144,708
Federal community development block grants	-	40,000	40,000
Total grants and capital contributions	\$ -	\$ 1,184,708	\$ 1,184,708
Change in net assets	\$ (407,876)	\$ 2,781,816	\$ 2,373,940
Total net assets - beginning	4,663,169	19,536,600	24,199,769
Total net assets - ending	\$ 4,255,293	\$ 22,318,416	\$ 26,573,709

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

Statement of Cash Flows  
 Proprietary Funds  
 For the Year Ended June 30, 2010

	Enterprise Funds		
	Solid Waste	Water & Sewer Authority	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 729,161	\$ 3,127,003	\$ 3,856,164
Receipts for other charges	3,282	-	3,282
Payments to suppliers of goods and services	(115,787)	(1,172,259)	(1,288,046)
Payments to employees	(272,319)	(948,242)	(1,220,561)
Payments for interfund services used	(80,000)	-	(80,000)
Payments for other charges	(87,427)	-	(87,427)
Net cash provided (used) by operating activities	\$ 176,910	\$ 1,006,502	\$ 1,183,412
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Operating grants from Commonwealth of Virginia	\$ 7,844	\$ -	\$ 7,844
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	\$ (412,656)	\$ (1,274,584)	\$ (1,687,240)
Principal payments on debt	-	(560,744)	(560,744)
Principal payments on capital lease	(11,056)	-	(11,056)
Other nonoperating income	-	25,817	25,817
Capital contributions and connection charges	-	1,144,708	1,144,708
Miscellaneous non-operating expenses	-	(7,792)	(7,792)
Interest payments	-	(468,641)	(468,641)
Amortization of bond premiums	-	(3,210)	(3,210)
Federal community development block grant funds received	-	40,000	40,000
Proceeds from settlement of lawsuit	-	1,864,066	1,864,066
Net cash provided (used) by capital and related financing activities	\$ (423,712)	\$ 759,620	\$ 335,908
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest earned	\$ 1,997	\$ 45,874	\$ 47,871
Net increase (decrease) in cash and cash equivalents	\$ (236,961)	\$ 1,811,996	\$ 1,575,035
Cash and cash equivalents - beginning	4,295,737	920,366	5,216,103
Cash and cash equivalents - ending	\$ 4,058,776	\$ 2,732,362	\$ 6,791,138
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>			
Operating income (loss)	\$ (417,717)	\$ (6,122)	\$ (423,839)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation and amortization expense	\$ 147,874	\$ 788,421	\$ 936,295
(Increase) decrease in accounts receivable	(11,881)	5,350	(6,531)
Increase (decrease) in accounts payable	(2,930)	218,853	215,923
(Decrease) in accrued leave	(1,530)	-	(1,530)
Total adjustments	\$ 594,627	\$ 1,012,624	\$ 1,607,251
Net cash provided (used) by operating activities	\$ 176,910	\$ 1,006,502	\$ 1,183,412

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



# COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010

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

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The County of Greenville, Virginia was formed in 1781 and is governed by an elected four member Board of Supervisors. The Board of Supervisors is responsible for appointing the County Administrator. The County provides a full range of services for its citizens. These services include police and volunteer fire protection; sanitation services; recreational activities, cultural events, education and social services.

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

### Financial Statement Presentation

Management's Discussion and Analysis - GASB Statement No. 34 requires the financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "Management's Discussion and Analysis" (MD&A).

### Government-wide and Fund Financial Statements

Government-wide financial statements - The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities but also capital assets and long-term liabilities (such as buildings and general obligation debt).

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its components unit. For the most part, effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Statement of Net Assets - The Statement of Net Assets is designed to display financial position of the primary government (government and business-type activities) and its discretely presented component units. Governments will report all capital assets, in the government-wide Statement of Net Assets and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net assets of a government will be broken down into three categories - 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted.

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

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

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

#### A. Financial Reporting Entity

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

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

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

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#### B. Individual Component Unit Disclosures

##### 1. Blended Component Units

The Greensville County Water and Sewer Authority has separate corporate powers that distinguish it as being legally separate from the County of Greensville, Virginia. The Water and Sewer Authority is financially accountable to the County because the County appoints a voting majority of its governing body and has the ability to impose its will on the Authority by significantly influencing the programs, projects, activities, and level of services provided by the Authority. The governing body of the Authority is the same as the governing body of the County.

For the reasons listed above, the Greensville Water and Sewer Authority is a Blended Component Unit of the County. The financial data of the Authority for its year ended September 30, 2009 has been included in this financial report. However, separately issued financial statements for the Authority can be obtained from the County Administrator's office located at 1781 Greensville County Circle, Emporia, Virginia 23847.

##### 2. Discretely Presented Component Units

The Greensville County School Board operates the elementary and secondary public schools in the County. School Board members are appointed by the County Board of Supervisors. The School Board is fiscally dependent upon the County because the County approves all debt issuances of the School Board and provides significant funding to operate the public schools since the School Board does not have separate taxing powers. The School Board is comprised of two Special Revenue Funds, the School Operating and School Cafeteria; and one Capital Projects Fund, the School Capital Projects Fund. The School Board is a discretely presented component unit of the County for which separate financial statements are issued. Copies of such statements can be obtained from the School Board offices located at 105 Ruffin Street, Emporia, Virginia 23847.

The Greensville County Industrial Development Authority was created by the County to attract industry to the County and to provide financing for such industries. The Authority does have separate corporate powers that distinguish it as being legally separate from the County. The County is financially accountable for the Authority because it appoints a voting majority of the Authority's governing body and there exists a financial benefit or burden between the two entities. However, because the two governing bodies are not substantially the same, the Authority is a discretely presented component unit of the County. Separately issued financial statements for the Authority can be obtained from the County Administrator's office located at 1781 Greensville County Circle, Emporia, Virginia 23847.

The Greensville/Emporia Department of Social Services has also been determined to be a discretely presented component unit of the County. The following factors require the Department to be reported as a discretely presented component unit: the County's Board of Supervisors appoints a voting majority of the Department's governing body, the existence of a financial benefit and burden between the County and Department, and the County is financially accountable for the Department. All of these factors require the department to be reported as a discretely presented component unit. Separate financial statements for the Department have been issued and can be obtained from their administrative offices located at P.O. Box 1136, Emporia, Virginia 23847.

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

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

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#### C. Other Related Organizations:

##### Included in the County's Financial Report

None

##### Excluded from the County's Financial Report

##### 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 Greenville, Brunswick 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 two (2) of the ten (10) members of the Board.

##### District 19 Community Services Board

The Board was created by resolution pursuant to state statute and 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.

##### Southside Regional Jail Authority

The Authority was created in 1995 to develop, construct, operate and maintain the regional jail known as Southside Regional Jail Authority. The Jail's service area includes the County of Greenville and the City of Emporia. The Authority is governed by a Board of Directors appointed by the Board of Supervisors of the County of Greenville and City of Emporia, Virginia. The Board of Directors has appointed the Treasurer of Greenville County to serve as fiscal agent. The board is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. 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 decisions of the Authority. The Authority 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.

#### D. 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 County applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989 unless these pronouncements conflict with or contradict GASB pronouncements.

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provided have been met.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

In the fund financial statements, financial transactions and accounts of the County are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

#### 1. Governmental Funds

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

##### a. General Fund

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

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

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

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

##### 1. Governmental Funds: (Continued)

###### b. Capital Projects Fund

The Capital Projects Fund accounts for all financial resources used for the acquisition or construction of major capital facilities.

###### c. Proprietary Fund

The Proprietary Fund accounts for operations that are financed in a manner similar to private business enterprises. The Proprietary Fund measurement focus is upon determination of net income, financial position, and cash flow. The Proprietary Fund consists of the Enterprise Fund.

The Enterprise Fund accounts for the financing of services to the general public where all or most of the operating expenses involved are recorded in the form of charges to users of such services. The Solid Waste Fund and Greenville Water and Sewer Authority (blended component unit) are Enterprise Funds.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

#### E. Budgets and Budgetary Accounting

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

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

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

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

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 and the General Capital Projects Funds of the primary government and the School Fund, School Cafeteria Fund and School Capital Projects of the School Board.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all county units.
8. All budgetary data presented in the accompanying financial statements is the original to the current comparison of the final budget and actual results.

#### **F. Cash and Cash Equivalents**

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

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

Investments for the government, as well as for its component units, are reported at fair value. The Local Government Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

#### **G. 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) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due 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 \$242,646 at June 30, 2010 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 GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

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

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**H. Capital Assets**

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Interest attributable to capitalized assets as of June 30, 2010 was immaterial.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Structures, lines & accessories	30
Buildings	40
Building improvements	20-40
Vehicles	5
Office and computer equipment	5
Buses	8
Police vehicles	3

**I. Compensated Absences**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the governmental fund that will pay the leave. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Assets. In accordance with the provisions of Government Accounting Standards No. 16, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement.

**J. Long-term Obligations**

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



COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

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

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**J. Long-term Obligations: (Continued)**

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 is 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.

**K. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**L. Retirement Plan**

Retirement plan contributions are actuarially determined and consist of current services costs and amortization of prior service cost over a 30-year period. The County's policy is to fund pension costs as it accrues.

**M. 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.

**N. Restricted Cash:**

General Fund:

The County maintains a Debt Service Reserve Fund restricted for future required debt service payments on the following debt issues:

Series 2000 Lease Revenue Bond	\$ 551,456
Series 2003 Lease Revenue Bond	<u>441,342</u>

Total restricted cash, Exhibit 3 \$ 992,798

**School Board:**

Restricted cash, school capital projects 424,770

Total restricted cash, Exhibit 1 \$ 1,417,568

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

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

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**O. Designated Cash:**

The County designates cash in the Solid Waste Fund for the following purposes:

Designated for new equipment	\$ 174,740
Designated for new cell development	1,248,856
Designated for postclosure monitoring	1,091,833
Designated for landfill closure	<u>1,367,652</u>
Total designated cash	<u>\$ 3,883,081</u>

**Note 2—Deposits and Investments:**

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**Deposits**

All cash of the County and its discretely presented component units are maintained in accounts collateralized in accordance with Virginia Security for Public Deposits Act, Section 2.2-4400 et. seq. of the Code of Virginia or covered by federal depository insurance.

**Investments**

Statutes authorize the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper and certain corporate notes, banker’s acceptances, repurchase agreements and the State Treasurer’s Local Government Investment Pool (LGIP).

The County has no formal investment policy addressing the various risks related to investments.

**Credit Risk of Debt Securities**

The County’s rated debt investments as of June 30, 2010 were rated by Standard & Poor’s and the ratings are presented below using Standard & Poor’s rating scale.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

Note 2—Deposits and Investments: (Continued)

Credit Risk of Debt Securities: (Continued)

<u>Locality's Rated Debt Investments' Values</u>	
<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>
	<u>AAA</u>
U.S. Agencies Money Market	\$ 1,014,116
Local Government Investment Pool	1,112,717
Repurchase Agreements - Underlying: U.S. Agency Securities	<u>5,493,321</u>
Total	\$ <u>7,620,154</u>

Interest Rate Risk

<u>Investment Maturities (in years)</u>		
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>
Repurchase Agreements	\$ <u>5,493,321</u>	\$ <u>5,493,321</u>
Total	\$ <u>5,493,321</u>	\$ <u>5,493,321</u>

External Investment Pools:

The fair value of the positions in the Local Government Investment Pool (LGIP) is the same as the value of the pool shares. As the pool is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP maintains a policy to operate in a manner consistent with SEC Rule 2a-7.

Other

Discretely Presented Component Unit-Greenville/Emporia Department of Social Services

All funds of the Department are in the custody of the Treasurer of the County.

Discretely Presented Component Unit-Greenville County Industrial Development Authority

All funds of the Authority are in the custody of the Authority's Treasurer.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

**Note 3—Due From/To Other Governmental Units:**

At June 30, 2010 the County has receivables and payables from and to other governments as follows:

	<u>Receivables</u>	<u>Payables</u>
<b>Primary Government:</b>		
Commonwealth of Virginia:		
Local Sales Tax	\$ 66,109	\$ -
Communications Tax	31,320	-
Tobacco Commission	175,000	-
Other State Funds	177,270	-
Total due from Commonwealth of Virginia	<u>\$ 449,699</u>	<u>\$ -</u>
Federal government:		
Community Development Block Grant	\$ <u>8,244</u>	\$ <u>-</u>
Total Due From Other Governmental Units	<u>\$ 457,943</u>	<u>\$ -</u>
<b>Discretely Presented Component Units:</b>		
School Board:		
State Sales Tax	\$ 371,919	\$ -
Federal School Funds	<u>1,300,397</u>	<u>-</u>
Total School Board	<u>\$ 1,672,316</u>	<u>\$ -</u>
Department of Social Services:		
State Public assistance	\$ 73,867	\$ -
State Comprehensive Services Act	123,701	-
Federal Public assistance	<u>132,205</u>	<u>-</u>
Total Department of Social Services	<u>\$ 329,773</u>	<u>\$ -</u>
Total Discretely Presented Component Units	<u>\$ 2,002,089</u>	<u>\$ -</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

**Note 4—Capital Assets:**

**Primary Government:**

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,295,528	\$ -	\$ -	\$ 1,295,528
Construction in progress	19,097,458	1,989,267	3,482,301	17,604,424
Total capital assets not being depreciated	<u>\$ 20,392,986</u>	<u>\$ 1,989,267</u>	<u>\$ 3,482,301</u>	<u>\$ 18,899,952</u>
Capital assets being depreciated:				
Buildings	\$ 12,077,089	\$ 3,208,659	\$ -	\$ 15,285,748
Land Improvements	1,142,482	273,644	-	1,416,126
Equipment	2,180,887	129,335	-	2,310,222
Jointly owned assets	7,511,797	-	1,314,428	6,197,369
Total capital assets being depreciated	<u>\$ 22,912,255</u>	<u>\$ 3,611,638</u>	<u>\$ 1,314,428</u>	<u>\$ 25,209,465</u>
Less accumulated depreciation for:				
Buildings	\$ 2,500,066	\$ 382,144	\$ -	\$ 2,882,210
Land Improvements	104,738	97,530	-	202,268
Equipment	1,701,044	266,596	-	1,967,640
Jointly owned assets	2,106,995	342,434	287,968	2,161,461
Total accumulated depreciation	<u>\$ 6,412,843</u>	<u>\$ 1,088,704</u>	<u>\$ 287,968</u>	<u>\$ 7,213,579</u>
Total capital assets being depreciated, net	<u>\$ 16,499,412</u>	<u>\$ 2,522,934</u>	<u>\$ 1,026,460</u>	<u>\$ 17,995,886</u>
Governmental activities capital assets, net	<u>\$ 36,892,398</u>	<u>\$ 4,512,201</u>	<u>\$ 4,508,761</u>	<u>\$ 36,895,838</u>
<b>Business-type Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 441,589	\$ -	\$ -	\$ 441,589
Construction in progress	755,066	1,137,574	682,452	1,210,188
Total capital assets not being depreciated	<u>\$ 1,196,655</u>	<u>\$ 1,137,574</u>	<u>\$ 682,452</u>	<u>\$ 1,651,777</u>
Capital assets being depreciated:				
Infrastructure	\$ 36,917,344	\$ 716,836	\$ -	\$ 37,634,180
Buildings and other improvements	2,803,808	-	-	2,803,808
Equipment	1,497,723	515,283	-	2,013,006
Total capital assets being depreciated	<u>\$ 41,218,875</u>	<u>\$ 1,232,119</u>	<u>\$ -</u>	<u>\$ 42,450,994</u>
Less accumulated depreciation	11,532,817	919,023	-	12,451,840
Total capital assets being depreciated, net	<u>\$ 29,686,058</u>	<u>\$ 313,096</u>	<u>\$ -</u>	<u>\$ 29,999,154</u>
Business-type activities, net	<u>\$ 30,882,713</u>	<u>\$ 1,450,670</u>	<u>\$ 682,452</u>	<u>\$ 31,650,931</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

**Note 4—Capital Assets: (Continued)**

**Discretely Presented Component Unit School Board:**

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
Capital assets not being depreciated:				
Land	\$ 442,775	\$ -	\$ -	\$ 442,775
Construction in progress	<u>-</u>	<u>455,703</u>	<u>-</u>	<u>455,703</u>
Total capital assets not being depreciated	\$ <u>442,775</u>	\$ <u>455,703</u>	\$ <u>-</u>	\$ <u>898,478</u>
Capital assets being depreciated:				
Buildings	\$ 7,519,559	\$ -	\$ -	\$ 7,519,559
Equipment	2,976,265	578,703	-	3,554,968
Jointly owned assets	<u>6,962,323</u>	<u>1,314,428</u>	<u>-</u>	<u>8,276,751</u>
Total capital assets being depreciated	\$ <u>17,458,147</u>	\$ <u>1,893,131</u>	\$ <u>-</u>	\$ <u>19,351,278</u>
Less accumulated depreciation for:				
Buildings	\$ 5,602,588	\$ 501,834	\$ -	\$ 6,104,422
Equipment	1,712,728	348,617	-	2,061,345
Jointly owned assets	<u>1,151,054</u>	<u>287,968</u>	<u>342,434</u>	<u>1,096,588</u>
Total accumulated depreciation	\$ <u>8,466,370</u>	\$ <u>1,138,419</u>	\$ <u>342,434</u>	\$ <u>9,262,355</u>
Total capital assets being depreciated, net	\$ <u>8,991,777</u>	\$ <u>754,712</u>	\$ <u>(342,434)</u>	\$ <u>10,088,923</u>
Governmental activities capital assets, net	<u>\$ 9,434,552</u>	<u>\$ 1,210,415</u>	<u>\$ (342,434)</u>	<u>\$ 10,987,401</u>

**Discretely Presented Component Unit Department of Social Services**

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
Capital assets being depreciated:				
Equipment	\$ <u>136,260</u>	<u>-</u>	<u>-</u>	<u>\$ 136,260</u>
Less accumulated depreciation for:				
Equipment	\$ <u>126,259</u>	<u>6,820</u>	<u>-</u>	<u>\$ 133,079</u>
Total capital assets being depreciated, net	<u>\$ 10,001</u>	<u>\$ (6,820)</u>	<u>\$ -</u>	<u>\$ 3,181</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

Note 4—Capital Assets: (Continued)

Discretely Presented Component Unit Industrial Development Authority:

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
Capital assets being depreciated:				
Buildings	\$ 4,012,951	\$ -	\$ -	\$ 4,012,951
Less accumulated depreciation for:				
Buildings	\$ 421,258	\$ 72,536	\$ -	\$ 493,794
Total accumulated depreciation	\$ 421,258	\$ 72,536	\$ -	\$ 493,794
Total capital assets being depreciated, net	\$ <u>3,591,693</u>	\$ <u>(72,536)</u>	\$ -	\$ <u>3,519,157</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government administration	\$ 506,443
Judicial administration	20,589
Public safety	210,597
Public works	8,641
Education	<u>342,434</u>
Total	\$ <u>1,088,704</u>
Business-Type activities	\$ <u>919,023</u>
Component Unit-School Board	\$ <u>1,138,419</u>
Component Unit-School Department of Social Services	\$ <u>6,820</u>
Component Unit-School Industrial Development Authority	\$ <u>72,536</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

Note 5—Due To/From Primary Government/Component Units and Transfers:

<u>Fund</u>	<u>Due From Primary Government/ Component Unit</u>	<u>Due To Primary Government/ Component Unit</u>
Primary Government:		
Governmental Funds	\$ 1,235,995	\$ -
Discretely Presented Component Units:		
School Board:		
School Operating Fund	-	519,135
Industrial Development Authority:		
IDA	-	39,703
Department of Social Services:		
Virginia Public Assistance Fund	-	680,633
Comprehensive Services Act Fund	<u>3,476</u>	<u>-</u>
Total	<u>\$ 1,239,471</u>	<u>\$ 1,239,471</u>



COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

**Note 6—Long-Term Debt:**

**Primary Government—Governmental Activities:**

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

Year Ending June 30,	Primary Government					
	Total Revenue Bonds		VPSA Bonds		Note payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 536,960	\$ 625,378	\$ 746,422	\$ 316,091	\$ 60,521	\$ 64,567
2012	560,739	603,755	753,468	276,034	63,081	62,007
2013	615,604	580,924	755,562	236,921	65,749	59,339
2014	819,558	555,161	763,166	195,890	68,530	56,558
2015	853,606	520,931	771,312	153,953	71,429	53,659
2016	892,753	484,735	779,893	112,308	74,450	50,638
2017	933,005	446,585	788,971	70,096	77,600	47,489
2018	973,362	389,007	798,575	27,359	80,882	44,206
2019	1,019,834	364,628	115,000	2,933	84,303	40,785
2020	1,066,425	320,141	-	-	87,869	37,219
2021	729,141	283,865	-	-	91,586	33,503
2022	756,987	256,288	-	-	95,460	29,629
2023	791,971	226,904	-	-	99,498	25,591
2024	827,098	196,168	-	-	103,706	21,382
2025	808,530	164,078	-	-	108,093	16,996
2026	825,000	130,635	-	-	112,665	12,423
2027	859,000	95,754	-	-	117,431	7,658
2028	894,000	59,437	-	-	120,516	417
2029	514,000	21,639	-	-	-	-
Total	\$ <u>15,277,573</u>	\$ <u>6,326,013</u>	\$ <u>6,272,369</u>	\$ <u>1,391,584</u>	\$ <u>1,583,369</u>	\$ <u>664,066</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

Note 6—Long-Term Debt: (Continued)

Primary Government—Business-Type Activities:

Year Ending June 30,	Primary Government					
	Capital Leases		Literary Loans		USDA Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 101,450	\$ 8,798	\$ 475,000	\$ 151,500	\$ 9,933	\$ 48,281
2012	72,850	5,651	475,000	141,000	10,381	47,832
2013	52,682	2,850	475,000	130,500	10,851	47,363
2014	22,699	505	375,000	120,000	11,341	46,872
2015	-	-	375,000	112,500	11,854	46,360
2016	-	-	375,000	105,000	12,390	45,824
2017	-	-	375,000	97,500	12,950	45,264
2018	-	-	375,000	90,000	13,535	44,679
2019	-	-	375,000	82,500	14,147	44,067
2020	-	-	375,000	75,000	14,786	43,427
2021	-	-	375,000	67,500	15,454	42,759
2022	-	-	375,000	60,000	16,153	42,060
2023	-	-	375,000	52,500	16,883	41,330
2024	-	-	375,000	45,000	17,646	40,567
2025	-	-	375,000	37,500	18,444	39,770
2026	-	-	375,000	30,000	19,277	38,936
2027	-	-	375,000	22,500	20,149	38,065
2028	-	-	375,000	15,000	21,059	37,154
2029	-	-	375,000	7,500	22,011	36,202
2030	-	-	-	-	23,006	35,207
2031	-	-	-	-	24,046	34,167
2032	-	-	-	-	25,133	33,081
2033	-	-	-	-	26,269	31,945
2034	-	-	-	-	27,456	30,757
2035	-	-	-	-	28,697	29,516
2036	-	-	-	-	29,994	28,219
2037	-	-	-	-	31,350	26,863
2038	-	-	-	-	32,767	25,447
2039	-	-	-	-	34,248	23,965
2040	-	-	-	-	35,796	22,417
2041	-	-	-	-	37,414	20,800
2042	-	-	-	-	39,105	19,108
2043	-	-	-	-	40,872	17,341
2044	-	-	-	-	42,720	15,494
2045	-	-	-	-	44,651	13,563
2046	-	-	-	-	46,669	11,544
2047	-	-	-	-	48,778	9,435
2048	-	-	-	-	50,983	7,230
2049	-	-	-	-	53,287	4,926
2050	-	-	-	-	55,696	2,517
Total	\$ <u>249,682</u>	\$ <u>17,803</u>	\$ <u>7,425,000</u>	\$ <u>1,443,000</u>	\$ <u>1,068,179</u>	\$ <u>1,260,355</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

Note 6—Long-Term Debt: (Continued)

Primary Government—Business-Type Activities: (Continued)

Year Ended Sept. 30,	Water and Sewer Revenue Bonds					
	2004		2002 Refunding		1992	
	Principal	Interest	Principal	Interest	Principal	
2010	\$ 15,000	\$ 20,675	\$ 260,000	\$ 160,758	100,000	
2011	15,000	20,210	270,000	147,177	100,000	
2012	15,000	19,708	285,000	134,380	100,000	
2013	15,000	19,168	295,000	120,942	100,000	
2014	15,000	18,628	315,000	105,310	-	
2015	15,000	18,086	325,000	90,536	-	
2016	15,000	17,422	340,000	76,481	-	
2017	15,000	16,808	355,000	61,273	-	
2018	15,000	16,192	370,000	45,093	-	
2019	15,000	15,578	390,000	27,751	-	
2020	15,000	14,962	405,000	9,366	-	
2021	15,000	14,346	-	-	-	
2022	15,000	13,714	-	-	-	
2023	20,000	13,080	-	-	-	
2024	20,000	12,210	-	-	-	
2025	20,000	11,314	-	-	-	
2026	20,000	10,294	-	-	-	
2027	20,000	9,276	-	-	-	
2028	20,000	8,330	-	-	-	
2029	20,000	7,384	-	-	-	
2030	25,000	6,440	-	-	-	
2031	25,000	5,290	-	-	-	
2032	30,000	4,140	-	-	-	
2033	30,000	2,760	-	-	-	
2034	30,000	1,385	-	-	-	
Total	\$ <u>475,000</u>	\$ <u>317,400</u>	\$ 3,610,000	\$ <u>979,067</u>	400,000	
Premium on bonds payable			35,860		-	
Less deferred amount on refunding			(145,458)		-	
Less unamortized discount on bond issuance			-		(122,722)	
Total			\$ <u>3,500,402</u>		\$ <u>277,278</u>	

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

Note 6—Long-Term Debt: (Continued)

Primary Government—Business-Type Activities: (Continued)

Year Ended Sept. 30,	Infrastructure Revenue Bonds		Loan Payable		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 125,000	\$ 238,199	\$ 10,406	\$ 6,362	\$ 54,978	1,752
2011	130,000	232,490	10,773	5,994	18,287	299
2012	135,000	226,058	11,154	5,613	-	-
2013	145,000	218,918	11,547	5,220	-	-
2014	150,000	211,395	11,955	4,812	-	-
2015	160,000	203,490	12,377	4,390	-	-
2016	165,000	195,203	12,815	3,952	-	-
2017	175,000	186,533	13,267	3,501	-	-
2018	185,000	177,353	13,735	3,032	-	-
2019	190,000	167,791	14,220	2,547	-	-
2020	200,000	157,846	14,722	2,045	-	-
2021	210,000	147,391	15,242	1,525	-	-
2022	220,000	136,425	15,780	987	-	-
2023	235,000	124,822	16,338	372	-	-
2024	245,000	112,582	-	-	-	-
2025	255,000	99,832	-	-	-	-
2026	270,000	86,445	-	-	-	-
2027	285,000	72,295	-	-	-	-
2028	295,000	57,505	-	-	-	-
2029	310,000	42,075	-	-	-	-
2030	325,000	25,883	-	-	-	-
2031	345,000	8,788	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
2034	-	-	-	-	-	-
Total	\$ <u>4,755,000</u>	\$ <u>3,129,319</u>	\$ <u>184,331</u>	\$ <u>50,352</u>	\$ <u>73,265</u>	<u>2,051</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

Note 6—Long-Term Debt: (Continued)

Changes in Long-term Debt:

Primary Government—Governmental Activities:

The following is a summary of long-term debt transactions of the County for the year ended June 30, 2010:

	<u>Amounts Payable at July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Amounts Payable at June 30, 2010</u>	<u>Due Within One Year</u>
<b>Primary Government:</b>					
<u>Governmental Activities</u>					
Revenue bonds	\$ 14,965,000	\$ 759,175	\$ 446,602	\$ 15,277,573	\$ 536,960
USDA loan	1,056,743	11,436	-	1,068,179	9,883
Note payable	1,644,306	-	60,937	1,583,369	60,521
Capital leases	356,277	-	106,595	249,682	101,450
Literary loans	8,000,000	-	575,000	7,425,000	475,000
VPSA bonds	7,011,797	-	739,428	6,272,369	746,422
Other Post-Employment benefits	16,000	27,366	11,400	31,966	-
Compensated absences	227,009	1,121	-	228,130	22,813
Total Governmental Activities	<u>\$ 33,277,132</u>	<u>\$ 799,098</u>	<u>\$ 1,939,962</u>	<u>\$ 32,136,268</u>	<u>\$ 1,953,049</u>
<u>Business-Type Activities</u>					
Revenue bonds	\$ 9,576,374	\$ -	\$ 459,096	\$ 9,117,278	\$ 479,096
Capital leases	175,918	-	102,653	73,265	54,978
Premium on bonds payable	39,070	-	3,210	35,860	3,210
Deferred amount on refunding	(158,682)	13,224	-	(145,458)	(13,223)
Loans payable	194,382	-	10,051	184,331	10,406
Landfill closure and postclosure liability	2,222,138	463,094	-	2,685,232	-
Other Post-Employment benefits	-	6,800	1,800	5,000	-
Compensated absences	193,511	19,121	-	212,632	21,263
Total Business-Type Activities	<u>\$ 12,242,711</u>	<u>\$ 502,239</u>	<u>\$ 576,810</u>	<u>\$ 12,168,140</u>	<u>\$ 555,730</u>
<b>Component Unit Industrial Development Authority</b>					
Notes payable	\$ 1,771,115	\$ -	\$ 143,653	\$ 1,627,462	\$ 134,323
Line of credit	847,173	-	26,579	820,594	27,499
Total Industrial Development Authority	<u>\$ 2,618,288</u>	<u>\$ -</u>	<u>\$ 170,232</u>	<u>\$ 2,448,056</u>	<u>\$ 161,822</u>
<b>Component Unit Department of Social Services</b>					
Compensated absences	<u>\$ 209,410</u>	<u>\$ -</u>	<u>\$ 17,857</u>	<u>\$ 191,553</u>	<u>\$ 19,155</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

Note 6—Long-Term Debt: (Continued)

Details of Long-term Indebtedness:

	<u>Amount Outstanding</u>
<b><u>Primary Government--Governmental Activities:</u></b>	
<b><u>State Literary Fund Loans:</u></b>	
Authorized \$7,500,000, issued February 2009, payable at \$375,000 principal over the next 20 years through 2029, plus interest payable at 2%	\$ 7,125,000
Authorized \$2,000,000, issued December 1992 payable at \$100,000 principal over the next 20 years through 2013, plus interest at \$3 per annum	<u>300,000</u>
Sub-total State Literary Fund Loans	<u>\$ 7,425,000</u>
<b><u>Virginia Public School Authority Bonds:</u></b>	
Authorized \$4,819,765, issued November 1997, payable at various levels from \$191,39 to \$308,575 annually through 2018, plus interest at varying rates from 4.35% to 5.35% payable semi-annually	\$ 2,227,369
Authorized \$7,570,000 General Obligation Bonds, Series 1998-A, issued May 1, 1998, payable at various levels from \$375,000 to \$380,000 annually through 2018, plus interest paid semi-annually at rates varying from 5.35% to 5.60%	3,010,000
Authorized \$2,300,000, issued April 1998, with principal of \$115,000 payable annually from July 15, 1999 through July 15, 2018, interest paid semi-annually at various interest rates from 4.10% to 5.35%	<u>1,035,000</u>
Sub-total Virginia Public School Authority Bonds	<u>\$ 6,272,369</u>
<b><u>Revenue Bonds:</u></b>	
Authorized \$4,595,000 lease revenue bonds, issued January 27, 2000, payable at various amounts from \$130,000 to \$365,000 annually through fiscal year 2020, plus interest paid semi-annually at a rate of 5.530%	\$ 2,895,000
Authorized \$6,375,000 lease revenue bonds, issued June 19, 2007, payable at various amounts from \$175,943 to \$535,640 annually through fiscal year 2029, plus interest paid semi-annually at 4.21%	6,375,000
Authorized \$516,000 lease revenue bonds, issued September 15, 2009, payable in monthly installments of \$4,003 through fiscal year 2025, interest at 4.71%	497,919

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

**Note 6—Long-Term Debt: (Continued)**

Details of Long-term Indebtedness: (Continued)

	<u>Amount Outstanding</u>
<b><u>Primary Government--Governmental Activities: (Continued)</u></b>	
Revenue Bonds: (Continued)	
Authorized \$243,175 lease revenue bonds, issued September 15, 2009, payable in monthly installments of \$1,886 through fiscal year 2025, interest at 4.71%	\$ 234,654
Authorized \$6,660,000 lease revenue bonds, issued June 17, 2003, payable at various amounts from \$185,000 to \$400,000 annually through fiscal year 2028, plus interest	5,275,000
Sub-total Revenue Bonds	<u>\$ 15,277,573</u>
USDA Loan:	
Authorized \$1,345,650 USDA Rural Development bonds, issued June 30, 2009, payable at \$48,115 annually through fiscal year 2049, plus interest paid at 4.375%	<u>\$ 1,068,179</u>
Capital Leases:	
Lease purchase agreement entered into jointly with the City of Emporia payable annually in the amount of \$23,070, including interest at a rate of 2.49% through fiscal year 2012, for the purchase of a fire tanker.	\$ 44,468
Lease purchase agreement dated February 6, 2008 with USDA Rural Development payable for 60 months through June 30, 2013 at a monthly payment of \$751, including interest at a rate of 4.1% for the purchase of a animal control vehicle.	25,021
Lease purchase agreement of \$200,000 dated December 1, 2008 with Comvest payable semi-annually for 6 years through June 30, 2014 at semi-annual payment of \$23,204, including interest at a rate of 4.1% for the purchase of a fire truck.	148,886
Lease purchase agreement dated July 1, 2006 with First Citizens Bank payable for 60 months through June 25, 2011 at a monthly payment of \$2,647, including interest at a rate of 2.68% for the purchase of a fire tanker.	31,307
Lease purchase agreement dated November 24, 1999 entered jointly with the City of Emporia. Payable over 120 months with payments of \$1,438 including interest at a rate of 4.34%, for the purchase of a fire pumper.	-
Sub-total Capital Leases	<u>\$ 249,682</u>
Note payable dated November 1, 2006 with First Community Bank, drawdowns not to exceed \$1,700,000, principal and interest due semi-annually, total annual payments of \$125,088, interest at 4.15%.	<u>\$ 1,583,369</u>
Compensated Absences	<u>\$ 228,130</u>
Other Post-Employment Benefits	<u>\$ 31,966</u>
Total Primary Government-Governmental Activities	<u><u>\$ 32,136,268</u></u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

**Note 6—Long-Term Debt: (Continued)**

Details of Long-term Indebtedness: (Continued)

	<u>Amount Outstanding</u>
<b>Primary Government--Business-Type Activities:</b>	
Solid Waste Fund:	
Accrued landfill closure & postclosure liability	\$ <u>2,685,232</u>
Accrued compensated absences	\$ <u>16,258</u>
Water and Sewer Authority:	
Notes Payable:	
\$235,629 Water & Sewer loan payable issued May 30, 2003, due in semi-annual payments of principal and interest of \$8,387, through September 1, 2023, interest at 3.50%	\$ <u>184,331</u>
Capital Leases:	
\$193,676 capital lease issued February 15, 2007, due in monthly payments of principal and interest of \$5,770 through February 15, 2010, interest at 4.60%	\$ 28,521
\$78,280 capital lease issued December 11, 2006, due in monthly payments of principal and interest of \$2,323 through May 23, 2011, interest at \$4.35%	44,744
Total capital leases	\$ <u>73,265</u>
Revenue Bonds Payable:	
\$4,935,000 Water & Sewer Refunding Revenue Bonds series 2002B issued November 5, 2002, due in various semi-annual installments of principal and interest through October 1, 2019, interest payable semi-annually	\$ 3,610,000
Premiums on bonds payable	35,860
Deferred amount on refunding	(145,458)
\$2,000,000 Water & Sewer Revenue Bonds series 1992 issued June 26, 1992, due in semi-annual payments of \$50,000 through 2013 (less unamortized discount based on interest imputed at 5%)	277,278
\$5,505,000, Water & Sewer Infrastructure Revenue Bonds issued December 14, 2001, due in various semi-annual payments of principal and interest through April 1, 2031, interest at 5.052%	4,755,000
\$515,000 Water and Sewer Revenue Bonds Series 2004B, issued October 27, 2004, due in various semi-annual payments of \$50,000 through 2013 (less unamortized discount based on interest imputed at 5%)	475,000
Total revenue bonds outstanding	\$ <u>9,007,680</u>
Other Post-Employment benefits	5,000
Accrued compensated absences	\$ <u>196,374</u>
Total Primary Government--Business-Type Activities	\$ <u>12,168,140</u>
Total Primary Government	\$ <u>44,304,408</u>



COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

**Note 6—Long-Term Debt: (Continued)**

Details of Long-term Indebtedness: (Continued)

	<u>Amount Outstanding</u>
<b>Discretely Presented Component Unit-Greenville/Emporia Department of Social Services:</b>	
Accrued compensated absences	\$ <u>191,553</u>
Total long-term debt payable, Department of Social Services	\$ <u><u>191,553</u></u>
<b>Discretely Presented Component Unit-Industrial Development Authority of Greenville County, Virginia:</b>	
On March 31, 1998, the Authority entered into a credit line deed of trust note payable agreement in an amount not to exceed \$1,576,000. Proceeds of this indebtedness are to be used to construct a shell building to attract more industry to the County of Greenville. Interest shall accrue on the unpaid principal balance of this Note at 8.67% per annum until March 31, 2000, at which time the interest rate will be adjusted to equal the then existing weekly average yield on U. S. Treasury securities, adjusted to a constant maturity of three years plus 2.255 per annum. Accrued interest shall be payable quarterly on the first day of each calendar quarter beginning July 1, 1998.	\$ 1,162,281
On December 28, 2006, the Authority entered into a note payable agreement in an amount not exceed \$400,000. Proceeds are to be used to finance rail infrastructure in the industrial park. Payments are due monthly in the amount of \$4,050 through December 31, 2016, interest at 4.00%.	278,823
On April 23, 2008, the Authority entered into a note payable agreement in the amount ok \$189,000. Proceeds are to be used for wetlands mitigation. Payments are due monthly in the amount of \$1,914 through March 30, 2018, interest at 4.00%.	153,312
On December 28, 2006, the Authority entered into a note payable agreement in an amount not exceed \$365,409. Proceeds are to be used for building up-fit costs and wetlands mitigation. Payments are due monthly in the amount of \$3,700 through April 30, 2011, interest at 4.00%.	33,046
On February 11, 2005, the Authority entered into a credit line deed of trust note payable agreement in an amount not exceed \$1,600,000. Proceeds are to be used to pay off the Emporia Garment/Skipppers Road Building note and to close on the purchase of two properties. Principal and interest at 7.9% payable in monthly installments.	<u>820,594</u>
Total long-term debt Industrial Development Authority	\$ <u>2,448,056</u>
Total long-term debt, reporting entity	\$ <u><u>46,944,017</u></u>

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

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### Note 7—Defined Benefit Pension Plan:

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#### A. Plan Description:

Name of Plan: Virginia Retirement System (VRS)  
Identification of Plan: Agent and Cost-Sharing Multiple-Employer Defined Benefit Pension Plan  
Administering Entity: Virginia Retirement System (System)

All full-time, salaried permanent employees of participating employers must participate in the VRS. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service (age 60 for participating local law enforcement officers, firefighters, and sheriffs) or at age 50 with at least 30 years of service if elected by the employer (age 50 with at least 25 years of service for participating local law enforcement officers, firefighters, and sheriffs) payable monthly for life in an amount equal to 1.70% of their average final compensation (AFC) for each year of credited service (1.85% for sheriffs and if the employer elects, for other employees in hazardous duty positions receiving enhanced benefits). Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for annual cost-of-living adjustment (COLA) beginning in their second year of retirement. The COLA is limited to 5.00% per year. AFC is defined as the highest consecutive 36 months of reported compensation. Participating local law enforcement officers, firefighters, and sheriffs may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The system issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be downloaded from their website at <http://www.varetire.org/Pdf/Publications/2009-Annual-Report.pdf> or obtained by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

#### B. Funding Policy

##### Primary Government

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their annual salary to the VRS. The County has elected to assume the 5.00% member contribution. In addition, the County is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County's contribution rate for the fiscal year ended 2010 was 3.06% of annual covered payroll.

##### Discretely Presented Component Unit - School Board (Non-professional)

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their annual salary to the VRS. The School Board has elected to assume the 5.00% member contribution. In addition, the School Board is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The School Board's contribution rate for the fiscal year ended 2010 was 6.96% of annual covered payroll.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

Note 7—Defined Benefit Pension Plan: (Continued)

B. Funding Policy: (Continued)

Discretely Presented Component Unit - Greenville-Emporia Department of Social Services

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their annual salary to the VRS. The Department has elected to assume the 5.00% member contribution. In addition, the Department is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The Department's contribution rate for the fiscal year ended 2010 was 5.81% of annual covered payroll.

Discretely Presented Component Unit - Greenville Water and Sewer Authority

Information regarding the Authority's retirement plan may be obtained from the separately issued financial statements.

C. Annual Pension Cost

Primary Government

For fiscal year 2010, the County's annual pension cost of \$118,826 was equal to the County's required and actual contributions (does not include employee share in the amount of \$194,160 which was assumed by the County).

Three-Year Trend Information for County - Primary Government

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/08	\$ 135,773	100%	\$ -
6/30/09	120,309	100%	-
6/30/10	118,826	100%	-

The required contribution was determined as part of the June 30, 2007 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2007 included (a) an investment rate of return (net of administrative expenses) of 7.50%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the County's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The County's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2007 was 20 years.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

Note 7—Defined Benefit Pension Plan: (Continued)

C. Annual Pension Cost: (Continued)

Discretely Presented Component Unit - School Board (Non-professional)

For fiscal year 2010, the School Board’s annual pension cost of \$82,895 was equal to the School Board’s required and actual contributions (does not include employee share in the amount of \$59,551 which was assumed by the School Board).

<b>Three-Year Trend Information for School Board (Non-professional)</b>			
<b>Fiscal Year Ending</b>	<b>Annual Pension Cost (APC) (1)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/08	\$ 96,937	100%	\$ -
6/30/09	80,569	100%	-
6/30/10	82,895	100%	-

The required contribution was determined as part of the June 30, 2007 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2007 included (a) an investment rate of return (net of administrative expenses) of 7.50%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the School Board’s assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. School Board’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2007 was 20 years.

Discretely Presented Component Unit - Greenville-Emporia Department of Social Services

For fiscal year 2010, the Department’s annual pension cost of \$61,996 was equal to the Department’s required and actual contributions (does not include employee share in the amount of \$53,353 which was assumed by the Department).

<b>Three-Year Trend Information for Greenville-Emporia Department of Social Services</b>			
<b>Fiscal Year Ending</b>	<b>Annual Pension Cost (APC) (1)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/08	\$ 74,675	100%	\$ -
6/30/09	59,679	100%	-
6/30/09	61,996	100%	-

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

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### Note 7—Defined Benefit Pension Plan: (Continued)

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#### C. Annual Pension Cost: (Continued)

The required contribution was determined as part of the June 30, 2007 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2007 included (a) an investment rate of return (net of administrative expenses) of 7.50%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the School Board's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. School Board's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2007 was 20 years.

#### D. Funded Status and Funding Progress

##### Primary Government

As of June 30, 2009, the most recent actuarial valuation date, the plan was 96.43% funded. The actuarial accrued liability for benefits was \$14,914,258, and the actuarial value of assets was \$14,381,791, resulting in an unfunded actuarial accrued liability (UAAL) of \$532,466. The covered payroll (annual payroll of active employees covered by the plan) was \$3,914,362, and ratio of the UAAL to the covered payroll was (13.60%).

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability (AAL) for benefits.

##### Discretely Presented Component Unit - School Board (Non-professional)

As of June 30, 2009, the most recent actuarial valuation date, the plan was 92.56% funded. The actuarial accrued liability for benefits was \$5,146,865, and the actuarial value of assets was \$4,763,967, resulting in an unfunded actuarial accrued liability (UAAL) of \$382,898. The covered payroll (annual payroll of active employees covered by the plan) was \$1,181,911, and ratio of the UAAL to the covered payroll was 32.40%.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability (AAL) for benefits.

##### Discretely Presented Component Unit - Greenville-Emporia Department of Social Services

As of June 30, 2009, the most recent actuarial valuation date, the plan was 85.56% funded. The actuarial accrued liability for benefits was \$6,013,160, and the actuarial value of assets was \$5,145,054, resulting in an unfunded actuarial accrued liability (UAAL) of \$868,106. The covered payroll (annual payroll of active employees covered by the plan) was \$1,025,502, and ratio of the UAAL to the covered payroll was 84.65%.

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

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### Note 7—Defined Benefit Pension Plan: (Continued)

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

##### Discretely Presented Component Unit - Greenville-Emporia Department of Social Services: (Continued)

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability (AAL) for benefits.

#### E. Professional Employees - Discretely Presented Component Unit School Board:

##### Plan Description

The Greenville County School Board contributes to the Virginia Retirement System (VRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Virginia Retirement System. VRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the State legislature. The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be downloaded from their website at <http://www.varetire.org/Pdf/Publications/2009-Annual-Report.pdf> or obtained by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

##### Funding Policy

Plan members are required to contribute 5.00% of their annual covered salary and Greenville County School Board is required to contribute at an actuarially determined rate. The current rate is 8.81% of annual covered payroll. The contribution requirements of plan members and Greenville County School Board are established and may be amended by the VRS Board of Trustees. The School Board's contributions to VRS for the years ending June 30, 2010, 2009, and 2008 were \$840,589, \$1,128,094, and \$1,286,710 respectively, equal to the required contributions for each year. The School Board's contribution rate was 8.81% of covered payroll for July 2009 through March 2010 and zero (0.00%) for April through June 2010.

### Note 8—Deferred Revenue:

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Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Deferred revenue in the fund totaling \$7,044,529 is comprised of the following:

#### Primary Government:

- A. Deferred Property Tax Revenue - Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$7,042,109 at June 30, 2010.
- B. Prepaid Property Taxes - Property taxes due subsequent to June 30, 2009 but paid in advance by the taxpayers totaled \$2,420 at June 30, 2010.

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

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### **Note 9—Landfill Closure and Postclosure Care Cost:**

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State and federal laws and regulations require the County to place a final cover on its Greenville 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 as each balance sheet date. The \$2,685,232 reported as landfill closure and postclosure care liability at June 30, 2010 represents the cumulative amount reported based on the use of 26 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$7,608,157 as the remaining estimated capacity is filled. The County expects to close the landfill in the year 2025. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. The County intends to fund these costs from tipping fee revenues.

The County has demonstrated financial assurance requirements for closure and postclosure care costs through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VAC20-70 of the Virginia Administrative Code. Also, \$2,459,485 has been designated in the Solid Waste Fund for payment of future closure and postclosure care costs.

### **Note 10—Commitments and Contingencies:**

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Federal programs in which the County and all discretely presented component units participants were audited in accordance with the provisions of U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Pursuant to the provisions of this circular all major program and certain other programs were tested for compliance with applicable grant requirements.

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

### **Note 11—Risk Management:**

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

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

The County continues to carry commercial insurance for all other risks of loss, including and 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.

## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

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### Note 12—Litigation:

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At June 30, 2010, there were no matters of litigation involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to such entities.

### Note 13—City/County School Cost Agreement:

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The City of Emporia and the County of Greensville are parties to an agreement that contains provisions for cost sharing, representation and other matters relating to the Greensville County Public School System. The current agreement expires December 13, 2013.

### Note 14—Surety Bonds:

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	<u>Amount</u>
Fidelity and Deposit Company of Maryland - Surety	
Robert C. Wrenn, Clerk of the Circuit Court	\$ 25,000
Linda B. Richardson, Treasurer	300,000
Martha S. Swenson, Commissioner of the Revenue	3,000
J.R. Edwards, Jr., Sheriff	30,000
Above constitutional officers' employees - blanket bond	50,000
Hartford Accident & Indemnity Company - Surety:	
Philip L. Worrell, Superintendent of Schools	10,000
Rick Pirkey, Deputy Clerk of the School Board	10,000
Angela Wilson, Clerk of the School Board	10,000
Romine T. Braswell, Bookkeeper	10,000
Liza Harrel, Payroll Clerk	10,000

By order dated December 31, 1983, the Judge of the Circuit Court ruled that no bond shall be required for any member of the Greensville County Board of Supervisors.



## COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

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### Note 15—Other Post-Employment Benefits Program:

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#### County:

#### Background

Beginning in fiscal year 2009, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 45 for other post-employment benefits (OPEB) offered to retirees. This standard addresses how local governments should account for and report their costs related to post-employment health-care and non-pension benefits, such as the County's retiree health benefit subsidy. Historically, the County's subsidy was funded on a pay-as-you go basis, but GASB Statement No. 45 requires that the County accrue the cost of the retiree health subsidy and other post-employment benefits during the period of the employees' active employment, while the benefits are being earned, and disclose the unfunded actuarial accrued liability in order to accurately account for the total future cost of post-employment benefits and the financial impact on the County. This funding methodology mirrors the funding approach used for pension benefits.

#### A. Plan Description:

In addition to the pension benefits described in Note 7, the County provides post-retirement healthcare insurance benefits for employees who are eligible for retirement benefits. Individuals who retire from County service with full VRS benefits (i.e. 50 years of age and 30 years of continuous service) has the ability to remain on the County's medical and dental insurance plans up to the age when they become eligible for Medicare (age 65). The retiree's spouse can also receive benefits under the plan.

#### B. Funding Policy:

Individuals retiring from the County have the ability to remain on the County's medical and dental insurance plans. The County does not offer a subsidy towards the retiree or the retiree's spouse's premiums.

#### C. Annual OPEB Cost and Net OPEB Obligation:

The annual cost of other post-employment benefits (OPEB) under GASB 45 is calculated based on the annual required contribution or ARC. The estimated pay as you go cost for OPEB benefits is \$27,400 for fiscal year 2010. The County paid \$11,400 towards this obligation during the fiscal year. The ARC is an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan and change's to the net OPEB obligation:

Annual required contribution	\$ 27,400
Interest on net OPEB obligation	640
Adjustment to annual required contribution	(674)
Annual OPEB cost (expense)	\$ 27,366
Estimated contributions made	(11,400)
Increase in net OPEB obligation	\$ 15,966
Net OPEB obligation - beginning of year	\$ 16,000
Net OPEB obligation - end of year	\$ 31,966

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

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**Note 15—Other Post-Employment Benefits Program: (Continued)**

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**County: (Continued)**

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

Annual OPEB Cost

For 2010, the County's cash payment of \$11,400 was \$15,966 less than the OPEB cost. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 and 2010 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual APEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2009	\$ 27,400	42%	\$ 16,000
June 30, 2010	27,366	42%	31,966

**D. Funded Status and Funding Progress**

The funded status of the plan as of January 1, 2008, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$ 201,200
Actuarial value of plan assets	\$ -
Unfunded actuarial accrued liability	\$ 201,200
Funded ratio (actuarial value of plan assets / AAL)	0%
Covered payroll (active plan members)	3,931,682
UAAL as a percentage of covered payroll	5.12%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**E. Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

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**Note 15—Other Post-Employment Benefits Program: (Continued)**

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**County: (Continued)**

**E. Actuarial Methods and Assumptions: (Continued)**

Cost Method

The entry age normal cost method is used to determine the plan's funding liabilities and costs. Under this cost method, the actuarial present value of projected benefits of every active participant as if the plan's provisions on the valuation date had always been in effect, is determined as a level percentage of expected annual earnings for each future year of expected service. A normal cost for each year from the assumed entry date is determined by applying this level percentage of pay to the assumed earnings for that year (or if benefits are not pay related, the level amount for each year).

Under these methods, inactive participants have no normal cost, and their actuarial liability is the present value of the plan benefits to which they and their beneficiaries are entitled. The plan's total annual normal cost and actuarial liability are the sum of the individual participant amounts.

An experience gain or loss is a decrease or increase in the unfunded actuarial liability attributable to actual experience that differed from that expected by the actuarial assumptions. Such gains or losses are explicitly recognized under this method.

Interest Assumptions

	<u>Unfunded</u>
Investment rate of return	4.00%
Health cost trend assumption	10.00%
Payroll growth	2.50%

**School Board:**

**A. Plan Description**

In addition to the pension benefits described in Note 7, the School Board provides post-retirement healthcare insurance benefits for employees who are eligible for retirement benefits. Individuals who retire from School Board service with full VRS benefits (i.e. 50 years of age and 30 years of continuous service) has the ability to remain on the School Board's medical and dental insurance plans up to the age when they become eligible for Medicare (age 65). The retiree's spouse can also receive benefits under the plan.

**B. Funding Policy**

Individuals retiring from the School Board have the ability to remain on the School Board's medical and dental insurance plans. The School Board does not offer a subsidy towards the retiree or the retiree's spouse's premiums.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

**Note 15—Other Post-Employment Benefits Program: (Continued)**

**School Board: (Continued)**

**C. Annual OPEB Cost and Net OPEB Obligation**

The School Board’s annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the School Board’s annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the School Board’s net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$ 94,100
Interest on net OPEB obligation	2,132
Adjustment to annual required contribution	<u>(2,137)</u>
Annual OPEB cost (expense)	\$ 94,095
Estimated contributions made	<u>(40,800)</u>
Increase in net OPEB obligation	\$ <u>53,295</u>
Net OPEB obligation - beginning of year	\$ 53,300
Net OPEB obligation - end of year	<u>\$ 106,595</u>

For 2010, the School Board’s cash payment of \$40,800 was \$53,295 less than the OPEB cost. The School Board’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 and 2010 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2009	\$ 94,100	57%	\$ 53,300
June 30, 2010	94,095	43%	106,595

**D. Funded Status and Funding Progress**

The funded status of the plan as of June 30, 2010 is as follows:

Actuarial accrued liability (AAL)	\$ 901,600
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	901,600
Funded ratio (actuarial value of plan assets / AAL)	-
Covered payroll (active plan members)	13,962,298
UAAL as a percentage of covered payroll	6.46%

**Note 15—Other Post-Employment Benefits Program: (Continued)**

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**School Board: (Continued)**

**D. Funded Status and Funding Progress: (Continued)**

Funded Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**E. Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2008 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employers own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 10.0% initially, reduced by decrements to an ultimate rate of 5.0% after ten years. Both rates included a 2.5% inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at January 1, 2009 was thirty years.

Cost Method

The entry age normal cost method is used to determine the plan's funding liabilities and costs. Under this cost method, the actuarial present value of projected benefits of every active participant as if the plan's provisions on the valuation date had always been in effect, is determined as a level percentage of expected annual earnings for each future year of expected service. A normal cost for each year from the assumed entry date is determined by applying this level percentage of pay to the assumed earnings for that year (or if benefits are not pay related, the level amount for each year).

Under these methods, inactive participants have no normal cost, and their actuarial liability is the present value of the plan benefits to which they and their beneficiaries are entitled. The plan's total annual normal cost and actuarial liability are the sum of the individual participant amounts.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

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**Note 15—Other Post-Employment Benefits Program: (Continued)**

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**School Board: (Continued)**

**E. Actuarial Methods and Assumptions: (Continued)**

An experience gain or loss is a decrease or increase in the unfunded actuarial liability attributable to actual experience that differed from that expected by the actuarial assumptions. Such gains or losses are explicitly recognized under this method.

Interest Assumptions

	<u>Unfunded</u>
Investment rate of return	4.00%
Health cost trend assumption	10.00%
Payroll growth	2.50%

In addition to the benefits described above, the County and School Board participate in the Health Insurance Credit Program administered by the Virginia Retirement System.

**A. Plan Description**

The County participates in the Health Insurance Credit Program, a plan designed to assist retirees with the cost of health insurance coverage. This program is an agent and cost sharing, multiple-employer defined benefit plan administered by the Virginia Retirement System (VRS). The Virginia General Assembly establishes the dollar amount of the health insurance credit for each year of creditable service. The credit amount and eligibility differs for state, school division, political subdivision, local officer, local social services department and general registrar retirees.

An employee of the County, who retires under VRS with at least 15 years of total creditable service under the System and is enrolled in a health insurance plan, is eligible to receive a monthly health insurance credit of \$1.50 per year of creditable service up to a maximum monthly credit of \$45. However, such credit shall not exceed the health insurance premium for the retiree. Disabled retirees automatically receive the maximum monthly health insurance credit of \$45.

Benefit provisions and eligibility requirements are established by Title 51.1, Chapter 14 of the Code of Virginia. The VRS actuarially determines the amount necessary to fund all credits provided, reflects the cost of such credits in the applicable employer contribution rate pursuant to §51.1-145, and prescribes such terms and conditions as are necessary to carry out the provisions of the health insurance credit program. VRS issues separate financial statements as previously discussed in Note 8.

**B. Funding Policy**

As a participating local political subdivision, the County is required to contribute the entire amount necessary to fund participation in the program using the actuarial basis specified by the Code of Virginia and the VRS Board of Trustees. The County's contribution rate for the fiscal year ended 2010 was .19% of annual covered payroll.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2010 (Continued)

**Note 15—Other Post-Employment Benefits Program: (Continued)**

**C. OPEB Cost and Net OPEB Obligation**

The annual cost of OPEB under Governmental Accounting Standards Board (GASB) 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions, is based on the annual required contribution (ARC). The County is required to contribute the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

For 2010, the County’s contribution of \$7,378 was equal to the ARC and OPEB cost. The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and the preceding two years are as follows:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2008	\$ 15,086	100%	\$ -
June 30, 2009	7,470	100%	-
June 30, 2010	7,378	100%	-

**D. Funded Status and Funding Progress**

The funded status of the plan as of September 30, 2009, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$ 63,090
Actuarial value of plan assets	44,705
Unfunded actuarial accrued liability	18,385
Funded ratio (actuarial value of plan assets / AAL)	70.86%
Covered payroll (active plan members)	3,914,362
UAAL as a percentage of covered payroll	0.47%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future and reflect a long-term perspective. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

**Note 15—Other Post-Employment Benefits Program: (Continued)**

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**E. Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used included techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The entry age normal cost method was used to determine the plan's funding liabilities and costs. The actuarial assumptions included a 7.5% investment rate of return, compounded annually, including an inflation component of 2.5%, and a payroll growth rate of 3%. The UAAL is being amortized as a level percentage of payroll on an open basis. The remaining open amortization period at June 30, 2009 was 27 years.

**F. Professional Employees - Discretely Presented Component Unit School Board**

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

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

The School Board is required to contribute, at an actuarially determined rate, the entire amount necessary to fund participation in the program. The current rate is 1.04% of annual covered payroll. The School Board's contribution to VRS for the years ended June 30, 2010, 2009 and 2008 was \$99,302, \$138,295, and \$145,133, and equaled the required contributions for each year.



## **REQUIRED SUPPLEMENTARY INFORMATION**

Note to Required Supplementary Information:

Presented budgets were prepared in accordance with accounting principles generally accepted in the United States of America.

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General Fund

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

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
General property taxes	\$ 5,389,670	\$ 5,389,670	\$ 5,739,894	\$ 350,224
Other local taxes	1,355,000	1,356,926	1,447,080	90,154
Permits, privilege fees, and regulatory licenses	52,500	52,500	42,772	(9,728)
Fines and forfeitures	1,583,565	1,583,565	1,329,899	(253,666)
Revenue from the use of money and property	285,000	285,000	144,863	(140,137)
Charges for services	392,300	395,898	407,658	11,760
Miscellaneous	205,000	227,447	152,423	(75,024)
Recovered costs	1,135,232	1,169,404	1,128,192	(41,212)
Intergovernmental revenues:				
Commonwealth	3,156,655	4,114,880	4,171,840	56,960
Federal	47,716	1,116,719	1,170,171	53,452
Total revenues	\$ 13,602,638	\$ 15,692,009	\$ 15,734,792	\$ 42,783
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 1,514,847	\$ 1,661,742	\$ 1,689,087	\$ (27,345)
Judicial administration	1,135,072	1,093,190	1,054,084	39,106
Public safety	3,025,778	4,158,015	3,754,715	403,300
Public works	1,426,661	1,475,671	1,459,859	15,812
Health and welfare	472,734	475,059	486,535	(11,476)
Education	1,799,863	1,805,711	1,770,926	34,785
Parks, recreation, and cultural	227,640	230,660	230,567	93
Community development	1,040,452	2,608,379	2,168,369	440,010
Nondepartmental	-	-	6,656	(6,656)
Debt service:				
Principal retirement	1,314,428	1,314,428	1,928,562	(614,134)
Interest and other fiscal charges	1,388,445	1,373,575	1,131,201	242,374
Total expenditures	\$ 13,345,920	\$ 16,196,430	\$ 15,680,561	\$ 515,869
Excess (deficiency) of revenues over (under) expenditures	\$ 256,718	\$ (504,421)	\$ 54,231	\$ 558,652
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	\$ (316,718)	\$ (316,718)	\$ -	\$ 316,718
Total other financing sources and uses	\$ (316,718)	\$ (316,718)	\$ -	\$ 316,718
Net change in fund balances	\$ (60,000)	\$ (821,139)	\$ 54,231	\$ 875,370
Fund balances - beginning	60,000	821,139	2,831,072	2,009,933
Fund balances - ending	\$ -	\$ -	\$ 2,885,303	\$ 2,885,303

Schedule of Pension Funding Progress  
Virginia Retirement System  
Last Three Fiscal Years

**PRIMARY GOVERNMENT:**

**County Retirement Plan:**

Valuation as of	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio Assets at % of AAL (2) / (3)	Annual Covered Payroll	UAAL as % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2007	\$ 13,209,340	\$ 12,428,514	\$ (780,826)	106.28%	\$ 3,375,204	-23.13%
6/30/2008	14,356,744	13,827,105	(529,639)	103.83%	3,786,381	-13.99%
6/30/2009	14,381,791	14,914,258	532,467	96.43%	3,914,362	13.60%

**DISCRETELY PRESENTED COMPONENT UNITS:**

**School Board Non-Professionals Retirement Plan:**

Valuation as of	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio Assets at % of AAL (2) (3)	Annual Covered Payroll	UAAL as % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2007	\$ 4,354,324	\$ 4,682,634	\$ 328,310	92.99%	\$ 1,080,159	30.39%
6/30/2008	4,747,185	4,928,233	181,048	96.33%	1,030,614	17.57%
6/30/2009	4,763,967	5,146,865	382,898	92.56%	1,181,911	32.40%

**Greensville/Emporia Department of Social Services Retirement Plan:**

Valuation as of	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio Assets at % of AAL (2) (3)	Annual Covered Payroll	UAAL as % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2007	\$ 4,892,418	\$ 5,236,215	\$ 343,797	93.43%	\$ 1,046,375	32.86%
6/30/2008	5,377,650	5,683,396	305,746	94.62%	1,064,583	28.72%
6/30/2009	5,145,054	6,013,160	868,106	85.56%	1,025,502	84.65%

Schedule of Funding Progress  
 Other Post-Employment Benefits  
 Last Two Fiscal Years

**PRIMARY GOVERNMENT:**

Valuation as of	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio Assets at % of AAL (2) / (3)	Annual Covered Payroll	UAAL as % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
7/1/2008 \$	- \$	201,200 \$	201,200	0.00% \$	3,931,682	5.12%
7/1/2008	-	201,200	201,200	0.00%	3,883,202	5.18%

**DISCRETELY PRESENTED COMPONENT UNIT:**

School Board :

Valuation as of	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio Assets at % of AAL (2) (3)	Annual Covered Payroll	UAAL as % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
7/1/2008 \$	- \$	901,600 \$	901,600	0.00% \$	13,962,298	6.46%
7/1/2008 \$	- \$	901,600 \$	901,600	0.00% \$	13,913,144	6.48%

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**OTHER SUPPLEMENTARY INFORMATION**

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Capital Projects Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ 266,000	\$ 112,371	\$ (153,629)
Intergovernmental revenues:				
Commonwealth	40,000	40,000	141,527	101,527
Federal	220,000	336,054	409,488	73,434
Total revenues	\$ 260,000	\$ 642,054	\$ 663,386	\$ 21,332
<b>EXPENDITURES</b>				
Current:				
Capital projects	\$ 1,319,893	\$ 3,720,773	\$ 1,844,566	\$ 1,876,207
Total expenditures	\$ 1,319,893	\$ 3,720,773	\$ 1,844,566	\$ 1,876,207
Excess (deficiency) of revenues over (under) expenditures	\$ (1,059,893)	\$ (3,078,719)	\$ (1,181,180)	\$ 1,897,539
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 316,718	\$ 316,718	\$ -	\$ (316,718)
Proceeds from issuance of loans payable	743,175	2,168,775	770,611	(1,398,164)
Total other financing sources and (uses)	\$ 1,059,893	\$ 2,485,493	\$ 770,611	\$ (1,714,882)
Net change in fund balances	\$ -	\$ (593,226)	\$ (410,569)	\$ 182,657
Fund balances - beginning	-	593,226	(797,378)	(1,390,604)
Fund balances - ending	\$ -	\$ -	\$ (1,207,947)	\$ (1,207,947)

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## Supporting Schedules

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Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2010

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	\$ 2,880,000	\$ 2,880,000	\$ 2,994,740	\$ 114,740
Real and personal public service corporation taxes	226,837	226,837	217,720	(9,117)
Personal property taxes	1,107,318	1,107,318	1,252,775	145,457
Mobile home taxes	45,000	45,000	27,149	(17,851)
Machinery and tools taxes	980,515	980,515	1,071,709	91,194
Penalties	85,000	85,000	111,238	26,238
Interest	40,000	40,000	38,570	(1,430)
Administrative fee	25,000	25,000	25,993	993
Total general property taxes	<u>\$ 5,389,670</u>	<u>\$ 5,389,670</u>	<u>\$ 5,739,894</u>	<u>\$ 350,224</u>
Other local taxes:				
Local sales and use taxes	\$ 300,000	\$ 300,000	\$ 407,919	\$ 107,919
Consumers' utility taxes	300,000	300,000	292,284	(7,716)
Business license taxes	300,000	300,000	267,375	(32,625)
Franchise license taxes	25,000	25,000	-	(25,000)
Motor vehicle licenses	165,000	165,000	190,458	25,458
Taxes on recordation and wills	55,000	56,926	28,967	(27,959)
Utility consumption taxes	60,000	60,000	60,525	525
Restaurant food taxes	115,000	115,000	136,015	21,015
Transient lodging tax	35,000	35,000	23,728	(11,272)
Total other local taxes	<u>\$ 1,355,000</u>	<u>\$ 1,356,926</u>	<u>\$ 1,447,080</u>	<u>\$ 90,154</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 7,500	\$ 7,500	\$ 8,611	\$ 1,111
Building permits	35,000	35,000	22,570	(12,430)
Transfer fees	-	-	275	275
Permits and other licenses	10,000	10,000	11,316	1,316
Total permits, privilege fees, and regulatory licenses	<u>\$ 52,500</u>	<u>\$ 52,500</u>	<u>\$ 42,772</u>	<u>\$ (9,728)</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 1,576,065	\$ 1,576,065	\$ 1,322,832	\$ (253,233)
Collections interest	7,500	7,500	7,067	(433)
Total fines and forfeitures	<u>\$ 1,583,565</u>	<u>\$ 1,583,565</u>	<u>\$ 1,329,899</u>	<u>\$ (253,666)</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 250,000	\$ 250,000	\$ 71,042	\$ (178,958)
Revenue from use of property	35,000	35,000	73,821	38,821
Total revenue from use of money and property	<u>\$ 285,000</u>	<u>\$ 285,000</u>	<u>\$ 144,863</u>	<u>\$ (140,137)</u>

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2010 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Charges for services:				
Data processing reimbursement	\$ 25,000	\$ 25,000	\$ 24,885	\$ (115)
Landfill administration	60,000	60,000	60,000	-
Courthouse maintenance fees	40,000	40,000	42,318	2,318
Courthouse security fees	175,000	175,000	219,129	44,129
Regional jail fiscal agent fees	28,800	28,800	26,460	(2,340)
Sheriff's fees	1,000	1,000	1,771	771
Excess clerk's fees	35,000	35,000	24,130	(10,870)
DSS cost allocation	25,000	25,000	-	(25,000)
Law library fees	-	1,480	1,442	(38)
Charges for Commonwealth's Attorney	1,000	1,000	919	(81)
Jail admission	1,500	1,500	1,657	157
Other charges	-	2,118	4,947	2,829
	<u>392,300</u>	<u>395,898</u>	<u>407,658</u>	<u>11,760</u>
Total charges for services				
Miscellaneous revenue:				
Miscellaneous	\$ 145,000	\$ 149,470	\$ 82,026	\$ (67,444)
CSA reimbursement	50,000	50,000	52,260	2,260
Probation fees	10,000	27,977	18,137	(9,840)
	<u>205,000</u>	<u>227,447</u>	<u>152,423</u>	<u>(75,024)</u>
Total miscellaneous revenue				
Recovered costs:				
Reimbursement industrial development corporation	\$ 168,551	\$ 168,551	\$ 161,506	\$ (7,045)
Reimbursement regional jail authority	-	-	2,000	2,000
School resource officer	77,134	77,727	75,066	(2,661)
Shared expenses City of Emporia	771,505	797,905	774,522	(23,383)
Circuit court salaries	32,608	32,608	31,909	(699)
Collection disposal fees - Schools	50,000	50,000	51,171	1,171
Collection disposal fees - Department of Social Services	2,500	2,500	2,192	(308)
Insurance recoveries	10,000	17,179	7,179	(10,000)
Other recovered costs	22,934	22,934	22,647	(287)
	<u>1,135,232</u>	<u>1,169,404</u>	<u>1,128,192</u>	<u>(41,212)</u>
Total recovered costs				
Total revenue from local sources				
	<u>\$ 10,398,267</u>	<u>\$ 10,460,410</u>	<u>\$ 10,392,781</u>	<u>\$ (67,629)</u>
Revenue from the Commonwealth:				
Payment in lieu of taxes	\$ 255,524	\$ 255,524	\$ 181,852	\$ (73,672)

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2010 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Noncategorical aid:				
Mobile home titling tax	\$ 21,000	\$ 21,000	\$ 16,136	\$ (4,864)
Motor vehicle rental tax	4,000	4,000	2,341	(1,659)
Railroad rolling stock taxes	37,286	37,286	42,988	5,702
State recordation tax	21,000	21,000	17,252	(3,748)
Communication sales and use taxes	190,000	190,000	201,366	11,366
Personal property tax relief funds	1,065,419	1,065,419	1,065,419	-
Total noncategorical aid	<u>\$ 1,338,705</u>	<u>\$ 1,338,705</u>	<u>\$ 1,345,502</u>	<u>\$ 6,797</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 389,249	\$ 389,249	\$ 389,155	\$ (94)
Sheriff	694,138	694,138	676,457	(17,681)
Commissioner of revenue	98,960	98,960	99,697	737
Treasurer	79,709	79,709	80,787	1,078
Medical examiner	500	500	-	(500)
Registrar/electoral board	47,500	47,500	42,157	(5,343)
Clerk of the Circuit Court	212,370	233,102	209,713	(23,389)
Total shared expenses	<u>\$ 1,522,426</u>	<u>\$ 1,543,158</u>	<u>\$ 1,497,966</u>	<u>\$ (45,192)</u>
Other categorical aid:				
Animal sterilization	\$ -	\$ 106	\$ 106	\$ -
Southside Pretrial Services & Community Corrections	-	380,418	380,418	-
Jury reimbursement	-	500	10,500	10,000
Tobacco funds	-	321,000	496,000	175,000
Victim witness	-	2,171	2,171	-
Challenge grant	5,000	5,000	5,000	-
E911 wireless funds	35,000	35,000	-	(35,000)
PSAP grant	-	150,000	150,000	-
DMV vehicle registration	-	16,412	8,038	(8,374)
Fire programs funds	-	30,740	30,740	-
Economic development funds	-	4,771	4,771	-
Asset forfeiture funds	-	31,375	58,776	27,401
Total other categorical aid	<u>\$ 40,000</u>	<u>\$ 977,493</u>	<u>\$ 1,146,520</u>	<u>\$ 169,027</u>
Total categorical aid	<u>\$ 1,562,426</u>	<u>\$ 2,520,651</u>	<u>\$ 2,644,486</u>	<u>\$ 123,835</u>
Total revenue from the Commonwealth	<u>\$ 3,156,655</u>	<u>\$ 4,114,880</u>	<u>\$ 4,171,840</u>	<u>\$ 56,960</u>

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2010 (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 the federal government:				
Categorical aid:				
Bulletproof vest program	\$ -	\$ 1,449	\$ 1,449	\$ -
Community development block grant	-	1,025,632	1,045,106	19,474
State and community highway safety grants	47,716	89,638	123,616	33,978
Total categorical aid	<u>\$ 47,716</u>	<u>\$ 1,116,719</u>	<u>\$ 1,170,171</u>	<u>\$ 53,452</u>
Total revenue from the federal government	<u>\$ 47,716</u>	<u>\$ 1,116,719</u>	<u>\$ 1,170,171</u>	<u>\$ 53,452</u>
Total General Fund	<u>\$ 13,602,638</u>	<u>\$ 15,692,009</u>	<u>\$ 15,734,792</u>	<u>\$ 42,783</u>
<b>Capital Projects Fund:</b>				
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ 266,000	\$ 112,371	\$ (153,629)
Revenue from the Commonwealth:				
Categorical aid:				
Tobacco commission grants	\$ 40,000	\$ 40,000	\$ 141,527	\$ 101,527
Total categorical aid	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 141,527</u>	<u>\$ 101,527</u>
Total revenue from the Commonwealth	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 141,527</u>	<u>\$ 101,527</u>
Revenue from the federal government:				
Categorical aid:				
Homeland security	\$ 160,000	\$ 160,000	\$ 165,000	\$ 5,000
Community development block grant	\$ 60,000	\$ 176,054	\$ 244,488	\$ 68,434
Total Capital Projects Fund	<u>\$ 260,000</u>	<u>\$ 642,054</u>	<u>\$ 663,386</u>	<u>\$ 21,332</u>
Total Primary Government	<u>\$ 13,862,638</u>	<u>\$ 16,334,063</u>	<u>\$ 16,398,178</u>	<u>\$ 64,115</u>



Schedule of Expenditures - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 79,677	\$ 107,427	\$ 120,437	\$ (13,010)
General and financial administration:				
County administrator	\$ 405,404	\$ 398,758	\$ 399,254	\$ (496)
Information technology	88,652	89,028	89,645	(617)
Commissioner of revenue	251,513	248,549	247,811	738
Treasurer	220,142	208,070	223,248	(15,178)
Accounting	320,470	440,433	447,542	(7,109)
County attorney	46,950	71,353	72,622	(1,269)
Total general and financial administration	\$ 1,333,131	\$ 1,456,191	\$ 1,480,122	\$ (23,931)
Board of elections:				
Electoral board and officials	\$ 102,039	\$ 98,124	\$ 88,528	\$ 9,596
Total general government administration	\$ 1,514,847	\$ 1,661,742	\$ 1,689,087	\$ (27,345)
Judicial administration:				
Courts:				
Circuit court	\$ 77,064	\$ 75,117	\$ 75,121	\$ (4)
General district court	16,555	14,385	20,279	(5,894)
Courthouse security	210,830	201,632	171,654	29,978
Law library	-	1,480	1,815	(335)
Special magistrates	3,050	2,804	2,888	(84)
Clerk of the circuit court	268,086	281,113	265,652	15,461
Total courts	\$ 575,585	\$ 576,531	\$ 537,409	\$ 39,122
Commonwealth's attorney:				
Commonwealth's attorney	\$ 559,487	\$ 516,659	\$ 516,675	\$ (16)
Total judicial administration	\$ 1,135,072	\$ 1,093,190	\$ 1,054,084	\$ 39,106
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,730,459	\$ 1,922,769	\$ 1,885,957	\$ 36,812
School resource officer	101,843	100,576	100,568	8
Asset Forfeiture	-	399,406	90,903	308,503
Selective enforcement	198,296	321,153	321,551	(398)
Total law enforcement and traffic control	\$ 2,030,598	\$ 2,743,904	\$ 2,398,979	\$ 344,925
Fire and rescue services:				
Fire and rescue	\$ 166,926	\$ 187,326	\$ 183,717	\$ 3,609
Contributions to squads	-	30,740	30,740	-
Total fire and rescue services	\$ 166,926	\$ 218,066	\$ 214,457	\$ 3,609

Schedule of Expenditures - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2010 (Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
Correction and detention:				
Jail	\$ 509,734	\$ 496,807	\$ 496,807	\$ -
Juvenile probation	45,640	26,326	22,840	3,486
Community corrections grant	-	427,354	378,507	48,847
Total correction and detention	<u>\$ 555,374</u>	<u>\$ 950,487</u>	<u>\$ 898,154</u>	<u>\$ 52,333</u>
Inspections:				
Building	\$ 139,563	\$ 135,966	\$ 135,806	\$ 160
Other protection:				
Animal control	\$ 61,864	\$ 72,001	\$ 70,038	\$ 1,963
E-911	43,132	33,842	33,239	603
Emergency management	28,321	3,749	4,042	(293)
Total other protection	<u>\$ 133,317</u>	<u>\$ 109,592</u>	<u>\$ 107,319</u>	<u>\$ 2,273</u>
Total public safety	<u>\$ 3,025,778</u>	<u>\$ 4,158,015</u>	<u>\$ 3,754,715</u>	<u>\$ 403,300</u>
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Highways, streets, bridges and sidewalks	\$ 26,850	\$ 27,658	\$ 27,095	\$ 563
Sanitation and waste removal:				
Refuse collection and disposal	\$ 485,850	\$ 451,669	\$ 452,382	\$ (713)
Dumpster site maintenance	88,754	136,042	126,103	9,939
Total sanitation and waste removal	<u>\$ 574,604</u>	<u>\$ 587,711</u>	<u>\$ 578,485</u>	<u>\$ 9,226</u>
Maintenance of general buildings and grounds:				
General properties	\$ 825,207	\$ 860,302	\$ 854,279	\$ 6,023
Total public works	<u>\$ 1,426,661</u>	<u>\$ 1,475,671</u>	<u>\$ 1,459,859</u>	<u>\$ 15,812</u>
Health and welfare:				
Health:				
Supplement of local health department	\$ 97,410	\$ 99,735	\$ 99,809	\$ (74)
Mental health and mental retardation:				
Chapter X board	\$ 48,019	\$ 48,019	\$ 48,019	\$ -

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2010 (Continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Welfare:				
Local area on aging	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Welfare administration	245,527	245,527	278,045	(32,518)
Comprehensive services	79,778	79,778	58,662	21,116
Total welfare	<u>\$ 327,305</u>	<u>\$ 327,305</u>	<u>\$ 338,707</u>	<u>\$ (11,402)</u>
Total health and welfare	<u>\$ 472,734</u>	<u>\$ 475,059</u>	<u>\$ 486,535</u>	<u>\$ (11,476)</u>
Education:				
Other instructional costs:				
Contributions to community colleges	\$ 7,446	\$ 7,446	\$ 10,092	\$ (2,646)
Contribution to County school board	1,709,386	1,709,386	1,674,455	34,931
PLEAD grant	-	4,778	4,778	-
Greensville educational foundation	250	250	250	-
Children are extra special	2,500	2,500	-	2,500
Workforce development center	60,281	61,351	61,351	-
Headstart program	20,000	20,000	20,000	-
Total education	<u>\$ 1,799,863</u>	<u>\$ 1,805,711</u>	<u>\$ 1,770,926</u>	<u>\$ 34,785</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Recreational facilities	\$ 103,986	\$ 104,018	\$ 104,085	\$ (67)
Cultural enrichment:				
Village View	\$ -	\$ -	\$ -	\$ -
Meherrin River Arts Council	10,000	10,000	10,000	-
Total cultural enrichment	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>
Library:				
Contribution to regional library	\$ 113,654	\$ 116,642	\$ 116,482	\$ 160
Total parks, recreation, and cultural	<u>\$ 227,640</u>	<u>\$ 230,660</u>	<u>\$ 230,567</u>	<u>\$ 93</u>
Community development:				
Planning and community development:				
Planning	\$ 140,038	\$ 135,514	\$ 135,766	\$ (252)
Housing - local contributions	3,650	3,650	3,650	-
Industrial development corporation administration	168,503	161,442	161,431	11
Industrial Development Authority	407,075	461,740	500	461,240
Economic development	197,851	1,731,596	1,753,524	(21,928)
Geographic information systems	68,389	67,436	67,474	(38)
Total planning and community development	<u>\$ 985,506</u>	<u>\$ 2,561,378</u>	<u>\$ 2,122,345</u>	<u>\$ 439,033</u>
Environmental management:				
Other environmental management	\$ 6,918	\$ 6,918	\$ 6,918	\$ -

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2010 (Continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Cooperative extension program:				
Extension office	\$ 48,028	\$ 40,083	\$ 39,106	\$ 977
Total community development	<u>\$ 1,040,452</u>	<u>\$ 2,608,379</u>	<u>\$ 2,168,369</u>	<u>\$ 440,010</u>
Nondepartmental:				
Remittance of sales tax revenue to towns	\$ -	\$ -	\$ 6,656	\$ (6,656)
Debt service:				
Principal retirement	\$ 1,314,428	\$ 1,314,428	\$ 1,928,562	\$ (614,134)
Interest and other fiscal charges	1,388,445	1,373,575	1,131,201	242,374
Total debt service	<u>\$ 2,702,873</u>	<u>\$ 2,688,003</u>	<u>\$ 3,059,763</u>	<u>\$ (371,760)</u>
Total General Fund	<u>\$ 13,345,920</u>	<u>\$ 16,196,430</u>	<u>\$ 15,680,561</u>	<u>\$ 515,869</u>
<b>Capital Projects Fund:</b>				
Capital projects expenditures:				
Wetlands mitigation	\$ -	\$ 1,848	\$ 1,847	\$ 1
Airport improvements	-	3,952	3,952	-
Broadband project	-	7,857	25,356	(17,499)
Southside Virginia Workforce Center	-	403,292	649,147	(245,855)
Washington Park sidewalk development	125,000	125,000	11,059	113,941
Other	132,718	133,403	-	133,403
District 19 MD clinic	-	1,303,419	687,464	615,955
VEC relocation	-	59,076	56,827	2,249
Computer upgrades	19,000	5,343	-	5,343
Three Creek road	-	8,691	9,974	(1,283)
Faison court	-	131,247	205	131,042
Bloom road	200,000	200,000	-	200,000
Stimulus project	100,000	100,000	-	100,000
VPI office	243,175	309,293	57,265	252,028
Animal shelter	500,000	928,352	341,470	586,882
Total capital projects	<u>\$ 1,319,893</u>	<u>\$ 3,720,773</u>	<u>\$ 1,844,566</u>	<u>\$ 1,876,207</u>
Total Primary Government	<u>\$ 14,665,813</u>	<u>\$ 19,917,203</u>	<u>\$ 17,525,127</u>	<u>\$ 2,392,076</u>

## Statistical Tables

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Table 1

## COUNTY OF GREENSVILLE, VIRGINIA

Government-Wide Expenses by Function  
Last Ten Fiscal Years (1)

Fiscal Year	General										Interest on Long-Term Debt	Total
	Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development				
2002-03	\$ 928,200	\$ 824,801	\$ 2,703,852	\$ 1,052,138	\$ 261,166	\$ 3,824,170	\$ 206,501	\$ 795,264	\$ 1,112,546	\$ 11,708,638		
2003-04	959,290	729,439	2,874,371	1,125,765	319,129	2,281,174	223,654	597,489	1,797,689	10,908,000		
2004-05	810,844	774,883	3,074,225	1,352,344	461,810	2,836,323	304,853	1,418,797	1,048,800	12,082,879		
2005-06	1,712,040	753,477	2,790,727	1,207,313	473,786	3,202,108	229,255	1,213,838	1,016,644	12,599,188		
2006-07	1,739,615	804,324	2,726,950	1,482,024	469,779	2,947,065	214,780	1,274,323	1,060,025	12,718,885		
2007-08	1,863,653	884,033	2,883,050	1,244,679	478,697	2,253,630	246,224	1,816,960	982,061	12,652,987		
2008-09	902,157	912,115	2,896,672	1,638,935	555,967	5,009,079	237,994	2,123,911	1,334,775	15,611,605		
2009-10	462,287	933,390	3,731,815	1,268,511	1,209,307	3,080,160	230,567	2,746,961	1,146,754	14,809,752		

(1) Information has only been available for 8 years.

COUNTY OF GREENSVILLE, VIRGINIA

Table 2

Government-Wide Revenues  
Last Ten Fiscal Years (1)

Fiscal Year	PROGRAM REVENUES				GENERAL REVENUES					Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs		
2002-03	\$ 1,398,164	\$ 1,944,440	\$ -	\$ 4,202,482	\$ 1,255,380	\$ 157,231	\$ 242,925	\$ 1,219,786	\$ 10,420,408	
2003-04	1,752,613	1,985,629	-	4,368,028	1,368,638	218,294	92,725	1,402,509	11,188,436	
2004-05	1,591,545	2,603,681	-	4,421,632	1,375,137	216,452	90,779	1,255,897	11,555,123	
2005-06	1,403,898	2,506,605	108,183	4,610,736	1,552,469	288,834	114,718	1,408,042	11,993,485	
2006-07	1,692,581	1,870,924	1,989,428	4,889,473	1,577,881	667,626	88,670	1,413,937	14,190,520	
2007-08	1,684,060	2,009,397	2,493,897	5,166,411	1,641,524	716,941	390,622	1,401,852	15,504,704	
2008-09	1,709,835	1,699,926	1,547,855	5,665,479	1,692,677	182,891	128,258	2,182,844	14,809,765	
2009-10	1,780,329	1,678,137	1,985,897	5,807,692	1,447,080	151,347	264,794	2,228,992	15,344,268	

(1) Information has only been available for 8 years.



COUNTY OF GREENSVILLE, VIRGINIA

Table 3

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

Fiscal Year	General										Total
	Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Non-departmental	Debt Service	
2000-01	\$ 1,174,435	\$ 686,296	\$ 2,470,974	\$ 955,788	\$ 2,628,324	\$ 19,080,810	\$ 224,212	\$ 544,099	\$ 12,844	\$ 2,498,858	\$ 30,276,640
2001-02	1,423,334	712,184	2,564,249	992,493	2,938,479	19,036,885	246,856	424,496	25,289	2,434,206	30,798,471
2002-03	1,185,696	681,046	2,734,284	1,008,267	2,839,700	22,284,464	184,741	791,425	111,217	2,221,521	34,042,361
2003-04	1,215,730	727,039	3,122,728	1,138,646	3,058,543	20,744,440	223,654	730,128	4,818	2,640,368	33,606,094
2004-05	1,268,537	772,483	2,916,147	1,470,144	3,377,420	22,685,802	253,589	1,881,231	5,616	2,593,970	37,224,939
2005-06	1,351,043	873,544	3,055,310	1,399,087	3,196,749	24,651,826	209,864	2,596,086	30,719	2,701,442	40,065,670
2006-07	1,511,724	961,603	3,224,776	1,333,234	3,628,516	26,338,270	214,780	1,995,576	5,973	2,403,116	41,617,568
2007-08	1,559,516	1,125,621	3,296,381	1,405,335	3,639,255	26,292,273	246,224	2,712,008	7,541	2,355,080	42,639,234
2008-09	1,537,628	1,141,513	3,534,309	1,474,351	3,544,821	26,343,618	237,994	2,921,639	8,342	2,874,859	43,619,074
2009-10	1,689,087	1,054,084	3,754,715	1,459,859	4,027,198	27,114,386	230,567	2,604,741	6,656	3,059,763	45,001,056

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

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

COUNTY OF GREENSVILLE, VIRGINIA

Table 4

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

Fiscal Year	General Property Taxes		Other Local Taxes		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
2000-01	\$ 4,163,962	\$ 1,251,909	\$ 47,314	\$ 979,871	\$ 475,420	\$ 290,767	\$ 282,380	\$ 802,357	\$ 19,882,784	\$ 28,176,764									
2001-02	4,134,853	1,293,049	42,146	937,393	288,522	289,686	459,331	774,480	20,938,668	29,158,128									
2002-03	4,229,014	1,255,380	44,618	1,229,563	367,527	411,321	737,890	923,467	21,194,685	30,393,465									
2003-04	4,292,686	1,368,638	49,105	1,422,360	266,799	3,147,179	235,295	744,193	21,488,629	33,014,884									
2004-05	4,350,198	1,375,137	47,109	1,091,981	348,205	3,518,694	147,362	858,190	25,231,310	36,968,186									
2005-06	4,643,320	1,552,469	41,004	1,103,181	297,870	3,750,706	142,718	935,913	25,892,448	38,359,629									
2006-07	4,930,287	1,577,881	51,626	1,323,110	473,148	3,857,196	478,018	1,169,366	27,906,863	41,767,495									
2007-08	5,194,668	1,641,524	97,952	1,094,383	322,363	4,031,076	779,970	1,232,567	28,389,585	42,784,088									
2008-09	5,696,735	1,692,677	78,980	1,240,094	181,078	3,930,112	500,218	1,559,297	28,788,113	43,667,304									
2009-10	5,739,894	1,447,080	42,772	1,329,899	158,930	4,348,497	533,177	1,128,192	30,007,828	44,736,269									

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

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

COUNTY OF GREENSVILLE, 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	
2000-01	\$	4,720,384	\$	4,586,026	97.15%	\$	112,869	\$	4,698,895	99.54%	\$	306,769	6.50%			
2001-02		5,026,856		4,896,418	97.41%		133,525		5,029,943	100.06%		275,188	5.47%			
2002-03		5,199,878		5,150,423	99.05%		71,203		5,221,626	100.42%		212,975	4.10%			
2003-04		5,269,452		5,116,353	97.09%		112,379		5,228,732	99.23%		239,351	4.54%			
2004-05		5,231,309		5,106,617	97.62%		95,415		5,202,032	99.44%		303,344	5.80%			
2005-06		5,573,305		5,501,901	98.72%		117,313		5,619,214	100.82%		365,659	6.56%			
2006-07		5,894,172		5,763,835	97.79%		110,493		5,874,328	99.66%		398,010	6.75%			
2007-08		6,044,425		5,975,915	98.87%		132,340		6,108,255	101.06%		405,945	6.72%			
2008-09		6,691,466		6,488,394	96.97%		117,942		6,606,336	98.73%		470,991	7.04%			
2009-10		6,552,012		6,476,081	98.84%		153,431		6,629,512	101.18%		505,872	7.72%			

(1) Exclusive of penalties and interest.

(2) Includes three most current delinquent tax years. Beginning in fiscal year 2006 the outstanding PPTRA is due from the taxpayer.

COUNTY OF GREENSVILLE, VIRGINIA

Table 6

Assessed Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property	Mobile Homes	Aircraft	Machinery and Tools		Public Utility (2)	Total
2000-01	\$ 321,199,330	\$ 40,119,911	\$ 7,936,365	\$ 1,000	\$ 18,825,800	\$ 29,577,351	\$ 417,659,757	
2001-02	331,102,470	42,203,415	8,320,790	1,000	19,581,540	32,427,561	433,636,776	
2002-03	400,659,700	43,449,160	7,049,980	26,600	20,904,750	40,697,710	512,787,900	
2003-04	404,339,400	42,836,310	7,157,370	49,570	21,032,780	36,554,416	511,969,846	
2004-05	410,054,150	39,404,880	7,126,630	81,080	23,441,510	28,098,889	508,207,139	
2005-06	417,025,690	44,714,256	7,206,760	77,590	25,131,490	28,740,569	522,896,355	
2006-07	423,190,540	48,383,540	7,216,320	109,100	23,284,410	28,128,700	530,312,610	
2007-08	429,740,130	48,697,570	7,190,590	80,620	24,149,100	30,154,407	540,012,417	
2008-09	673,068,000	52,308,630	5,636,734	81,500	25,196,000	43,288,438	799,579,302	
2009-10	668,105,000	47,708,720	5,602,340	81,500	27,584,810	42,194,732	791,277,102	

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

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

COUNTY OF GREENSVILLE, VIRGINIA

Table 7

Property Tax Rates (1)  
Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Aircraft
2000-01	\$ 0.61	\$ 4.50	\$ 0.61	\$ 3.50	\$ 0.50
2001-02	0.64	4.50	0.64	3.50	0.50
2002-03	0.57	4.50	0.57	3.50	0.50
2003-04	0.57	4.50	0.57	3.50	0.50
2004-05	0.59	4.50	0.59	3.50	0.50
2005-06	0.59	4.50	0.59	3.50	0.50
2006-07	0.62	4.50	0.62	3.50	0.50
2007-08	0.63	4.50	0.63	3.50	0.50
2008-09	0.45	4.50	0.45	4.00	0.50
2009-10	0.45	4.50	0.45	4.00	0.50

(1) Per \$100 of assessed value.

COUNTY OF GREENSVILLE, 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				
2000-01	11,560	417,660	19,923,216	-	-	19,923,216	4.77%	1,723
2001-02	11,560	433,637	19,923,216	-	-	19,923,216	4.59%	1,723
2002-03	11,800	512,788	15,428,365	-	-	15,428,365	3.01%	1,307
2003-04	12,200	511,970	14,494,925	-	-	14,494,925	2.83%	1,188
2004-05	12,200	508,207	12,906,266	-	-	12,906,266	2.54%	1,058
2005-06	12,300	522,896	10,501,945	-	-	10,501,945	2.01%	854
2006-07	12,300	530,313	10,069,351	-	-	10,069,351	1.90%	819
2007-08	12,059	540,012	10,038,748	-	-	10,038,748	1.86%	832
2008-09	12,511	799,579	16,656,103	-	-	16,656,103	2.08%	1,331
2009-10	12,511	791,277	15,280,738	-	-	15,280,738	1.93%	1,221

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

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

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

## COMPLIANCE

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# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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The Honorable Members of the Board of Supervisors  
County of Greensville  
Emporia, Virginia

We have audited 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 Greensville, Virginia, as of and for the year ended June 30, 2010, which collectively comprise the County of Greensville, Virginia's basic financial statements and have issued our report thereon dated January 4, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

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

This report is intended solely for the information and use of management, the Board of Supervisors, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Robinson, Farmer, Co. Associates*

Charlottesville, Virginia  
January 4, 2011

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**Report on Compliance with Requirements That Could Have a Direct and  
Material Effect on Each Major Program and on Internal Control Over  
Compliance in Accordance with OMB Circular A-133  
Independent Auditors' Report**

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**The Honorable Members of the Board of Supervisors  
County of Greensville  
Emporia, Virginia**

## **Compliance**

We have audited County of Greensville, Virginia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of County of Greensville, Virginia's major federal programs for the year ended June 30, 2010. County of Greensville, Virginia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of County of Greensville, Virginia's management. Our responsibility is to express an opinion on County of Greensville, Virginia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about County of Greensville, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of County of Greensville, Virginia's compliance with those requirements.

In our opinion, County of Greensville, Virginia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

## **Internal Control Over Compliance**

Management of County of Greensville, Virginia is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered County of Greensville, Virginia's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of County of Greensville, Virginia's internal control over compliance.

**Internal Control Over Compliance: (Continued)**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of management, the Board of Supervisors, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Robinson, Turner, & Associates*

Charlottesville, Virginia  
January 4, 2011

COUNTY OF GREENSVILLE, VIRGINIA

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2010

Federal Grantor/State Pass - Through Grantor/ Program Title (Pass - Through Grantor's Number)	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass Through Payments:			
Department of Social Services:			
Promoting safe and stable families	93.556	0950109/0950110	\$ 10,511
Temporary assistance for needy families	93.558	0400109/0400110	230,829
Refugee and entrant assistance - state administered programs	93.566	0500109/0500110	708
Low-income home energy assistance	93.568	0600409/0600410	17,990
Child Care Cluster:			
Child care and development block grant	93.575	0770109/0770110	149,100
Child care mandatory and matching funds of the child care and development fund	93.596	0760109/0760110	76,802
ARRA - Child care and development block grant	93.713	0740109/0780109	67,147
Child welfare services - state grants	93.645	0900109/0900110	813
Foster care - Title IV-E	93.658	1100109/1100110	137,655
ARRA - Foster care - Title IV-E	93.658	1100109/1100110	9,207
Adoption assistance	93.659	1120109/1120110	9,321
ARRA - Adoption assistance	93.659	1120109/1120110	389
Social services block grant	93.667	1000109/1000110	120,679
Chafee foster care independence program	93.674	9150108/9150109/9150110	1,824
Children's health insurance program	93.767	0540109/0540110	15,751
Medical assistance program	93.778	1200109/1200110	189,656
Total Department Health and Human Services			\$ <u>1,038,382</u>
Department of Agriculture:			
Direct Payments:			
Child Nutrition Cluster:			
Food commodities distribution	10.555	10.555/2010/2009	\$ 78,101
Community facilities loans and grants	10.766	N/A	258,511
Pass Through Payments:			
Department of Education:			
Child Nutrition Cluster:			
School breakfast program	10.553	10.553/2010/2009	\$ 238,787
National school lunch program	10.555	10.555/2010/2009	675,271
Summer food service program for children	10.559	Unknown	52,840
Department of Social Services:			
SNAP Cluster:			
State administrative matching grants for the supplemental nutrition assistance program	10.561	0010109/0040109/0040110	325,371
ARRA State administrative matching grants for the supplemental nutrition program	10.561	0010109/0040109/0040110	15,809
Total Department of Agriculture			\$ <u>1,644,690</u>
Department of Housing and Urban Development			
Pass Through Payments:			
Office of Community Planning and Development			
Community development block grants	14.228	B-04-DC-51-0001	\$ <u>1,289,594</u>

COUNTY OF GREENSVILLE, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)  
 For the Year Ended June 30, 2010

Federal Grantor/State Pass - Through Grantor/ Program Title (Pass - Through Grantor's Number)	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Criminal Justice:			
Direct Payments:			
Bulletproof vest partnership program	16.607	N/A	\$ 1,449
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	25,367
Pass Through Payments:			
Bureau of Justice Assistance			
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.803	09SUB9033	31,257
Local law enforcement block grant	16.592	Unknown	5,665
Total Department of Criminal Justice			<u>\$ 63,738</u>
Department of Transportation			
Pass Through Payments:			
National Highway Traffic Safety Administration (NHTSA) Alcohol open container requirements	20.607	154AL-2010502053828	\$ 11,777
Total Department of Transportation			<u>\$ 11,777</u>
Department of Homeland Security			
Pass Through Payments:			
Federal Emergency Management Agency			
Emergency management performance grants	97.042	N/A	\$ 5,000
State Homeland Security Program (SHSP)	97.073	N/A	165,000
Total Department of Homeland Security			<u>\$ 170,000</u>
Department of Defense:			
Direct Payments:			
Department of Defense:			
ROTC	12.000	N/A	\$ 55,779
Department of Education:			
Pass Through Payments:			
Department of Education:			
Title I, Part A Cluster:			
Title I grants to local educational agencies	84.010	S010A090046	\$ 849,171
ARRA - Title I Grants to Local Educational Agencies	84.389	S389A090046	246,606
Special Education Cluster (IDEA):			
Special education - grants to states	84.027	H027A080107	566,637
ARRA - Special Education Grants to States	84.391	H027A080107	235,050
Special education - preschool grants	84.173	H173A090012	7,399
Safe and drug-free schools and communities - state grants	84.186	Q186A090048	4,734
Twenty-First century community learning centers	84.287	N/A	248,815
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants	84.394	S394A090047	1,474,569
Gaining early awareness and readiness for undergraduate programs	84.334	Unknown	26,305
Improving teacher quality state grants	84.367	S367A080044	148,189
Reading first state grants	84.357	S357A070048	53,510
State grants for innovative programs	84.298	Unknown	6,295
Career and technical education - basic grants to states	84.048	V048A090046	60,948
Title III	84.000	N/A	4,127
Education Technology State Grants Cluster:			
ARRA - Education Technology State Grants	84.386	608970	16,603
Education technology state grants	84.318	S318X070046	4,772
Total Department of Education			<u>\$ 3,953,730</u>
Total Federal Assistance			<u>\$ 8,227,690</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2010

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Note 1 - General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federally assisted programs of the County of Greensville, Virginia. The County's reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule. The information in this schedule is presented in accordance with OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.

Note 2 - Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the County's basic financial statements. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for States, Local and Indian Tribal Governments.

Note 3 - 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	\$ 1,170,171
General Fund Federal Loan Proceeds	213,961
Capital Projects Fund	409,488
Total primary government	<u>\$ 1,793,620</u>
Component Unit Public Schools:	
School Operating Fund	\$ 4,009,509
School Cafeteria Fund	1,044,999
Total component unit public schools	<u>\$ 5,054,508</u>
Component Unit Department of Social Services	<u>\$ 1,379,562</u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u>\$ 8,227,690</u>

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COUNTY OF GREENSVILLE, VIRGINIA

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2010

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**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510 (a)?	No
Identification of major programs:	

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
84.394	ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants

Child Care and Development Fund Cluster:

93.575	Child care and development block grant
93.596	Child care mandatory and matching funds
93.713	ARRA - Child care and development block grant

Special Education Cluster:

84.027	Special Education - Grants to States
84.173	Special Education - Preschool Grants
84.391	ARRA - Special Education - Grants to States

Title I, Part A Cluster:

84.010	Title I Grants to Local Educational Agencies
84.389	ARRA - Title I Grants to Local Educational Agencies

School Food Cluster:

10.553	School Breakfast Program
10.553	Food Distribution
10.555	National School Lunch Program
10.559	Summer Food Service Program for Children

SNAP Cluster:

10.561	ARRA - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs	\$300,000
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Auditee qualified as low-risk auditee?	No
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**Section II - Financial Statement Findings**

There are no financial statement findings to report.

**Section III - Federal Award Findings and Questioned Costs**

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

**COUNTY OF GREENSVILLE, VIRGINIA**

Schedule of Prior Year Audit Findings  
Year Ended June 30, 2010

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There were no items reported.