



FINANCIAL REPORT
YEAR ENDED JUNE 30, 2014

COUNTY OF GREENSVILLE, VIRGINIA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2014

COUNTY OF GREENSVILLE, VIRGINIA

Financial Report
For The Year Ended June 30, 2014

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COUNTY OF GREENSVILLE, VIRGINIA

BOARD OF SUPERVISORS

Peggy R. Wiley, Chairman

Michael W. Ferguson, Vice-Chairman

Margaret T. Lee, Ed. D.

James C. Vaughan

COUNTY SCHOOL BOARD

Tony M. Conwell, Chairman

Bessie Reed-Moore, Vice-Chairman

Rhonda Jones-Gilliam
Janey V. Bush

Walter D. Rook, Jr.

OTHER OFFICIALS

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

Allan Sharrett
Robert C. Wrenn
Stephen D. Bloom
Patricia T. Watson
Martha S. Swenson
Pamela Lifsey
James R. Edwards, Jr.
Dr. Angela B. Wilson
John Holtkamp
K. David Whittington

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

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

Report on the Financial Statements

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 County of Greensville, Virginia, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the 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, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules of pension and OPEB funding progress on pages 4-9, 70, and 71-72 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Greensville, Virginia's basic financial statements. The other supplementary information and statistical information are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

The statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2015, on our consideration of the County of Greenville, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Greenville, Virginia's internal control over financial reporting and compliance.

Robinson, Farney Cox Associates
Charlottesville, Virginia
January 28, 2015

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Management's Discussion and Analysis

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, 2014.

Financial Highlights

Government-wide Financial Statements

The assets and deferred outflows of resources of the County (Governmental and Business-type activities) exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$36,073,112 (net position) compared to \$33,674,624 in the prior year, an increase of \$2,398,488.

Our combined (governmental and business-type activities) long-term obligations decreased by a net of \$4,227,113 during the current fiscal year. This decrease is due to the landfill closure and post-closure costs liability being reduced.

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported revenues in excess of expenditures and other financing sources by \$1,089,942 (Exhibit 5) after making contributions totaling \$1,405,892 (net of adjustment) to the School Board. In the prior year, fund balance increased by \$378,677.

- As of the close of the current fiscal year; the County's funds reported ending fund balances of \$3,475,174, an increase of \$1,089,942 in comparison with the prior year. The major increase of fund balance can be attributed to the issuance of a refunding note.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,923,564, or 17% 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 position presents information on all of the County's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, 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 position 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 and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$36,073,112 at the close of the fiscal year ended June 30, 2014.

County of Greenville, Virginia's Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current and other assets	\$ 12,869,879	\$ 12,217,784	\$ 6,583,640	\$ 11,587,804
Capital assets	39,751,456	40,028,872	33,593,669	31,810,092
Total assets	<u>\$ 52,621,335</u>	<u>\$ 52,246,656</u>	<u>\$ 40,177,309</u>	<u>\$ 43,397,896</u>
Deferred outflows of resources	\$ -	\$ -	\$ 92,564	\$ 105,787
Long-term liabilities outstanding	\$ 32,491,259	\$ 33,991,270	\$ 14,558,206	\$ 17,272,085
Current liabilities	1,035,518	2,118,323	423,811	821,984
Total liabilities	<u>\$ 33,526,777</u>	<u>\$ 36,109,593</u>	<u>\$ 14,982,017</u>	<u>\$ 18,094,069</u>
Deferred inflows of resources	\$ 8,309,302	\$ 7,872,053	\$ -	\$ -
Net position:				
Net investment in capital assets	\$ 7,606,145	\$ 3,642,523	\$ 21,421,348	\$ 19,057,594
Restricted for:				
Debt Service	801,830	802,889	-	-
Unrestricted	<u>2,377,281</u>	<u>3,819,598</u>	<u>3,866,508</u>	<u>6,352,020</u>
Total net position	<u>\$ 10,785,256</u>	<u>\$ 8,265,010</u>	<u>\$ 25,287,856</u>	<u>\$ 25,409,614</u>

At the end of the current fiscal year, the County's net investment in capital assets is \$7,606,145. 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 position of governmental activities at June 30, 2014 is \$2,377,281.

Government-wide Financial Analysis (Continued)

The total net position of the County increased \$2,398,488. Key elements of this increase are as follows:

County of Greenville, Virginia's Change in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues:				
Program revenues:				
Charges for services	\$ 1,997,115	\$ 2,214,438	\$ 4,470,720	\$ 4,461,037
Operating grants and contributions	2,528,983	2,406,121	-	-
Capital grants and contributions	1,663,397	1,926,310	115,398	91,285
General revenues:				
Property taxes	7,173,293	6,903,717	-	-
Other local taxes	2,004,316	1,773,341	-	-
Other revenue	479,749	467,784	75,702	106,987
Grants and other contributions unrestricted	<u>1,344,778</u>	<u>1,309,447</u>	<u>6,366</u>	<u>7,216</u>
Total revenues	<u>\$ 17,191,631</u>	<u>\$ 17,001,158</u>	<u>\$ 4,668,186</u>	<u>\$ 4,666,525</u>
Expenses:				
General government	\$ 2,145,815	\$ 2,201,469	\$ -	\$ -
Judicial administration	986,086	1,099,081	-	-
Public safety	3,797,846	3,761,338	-	-
Public works	1,236,062	1,279,412	4,789,944	4,822,828
Health and welfare	622,999	519,193	-	-
Education	3,026,037	3,115,786	-	-
Parks, recreation and culture	397,328	328,495	-	-
Community development	1,162,375	1,048,990	-	-
Interest	<u>1,296,837</u>	<u>1,236,692</u>	<u>-</u>	<u>-</u>
Total expenses	<u>\$ 14,671,385</u>	<u>\$ 14,590,456</u>	<u>\$ 4,789,944</u>	<u>\$ 4,822,828</u>
Increase (decrease) in net position	\$ 2,520,246	\$ 2,410,702	\$ (121,758)	\$ (156,303)
Net position - beginning	<u>8,265,010</u>	<u>5,854,308</u>	<u>25,409,614</u>	<u>25,565,917</u>
Net position - ending	<u>\$ 10,785,256</u>	<u>\$ 8,265,010</u>	<u>\$ 25,287,856</u>	<u>\$ 25,409,614</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 position increase of \$2,520,246 in governmental activities only. The net position of business-type activities decreased \$121,758 due to interest paid on debt.

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 \$3,475,174, an increase of \$1,089,942 in comparison with the prior year. Approximately 69% of this total amount constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance is restricted and committed to indicate that is not available for new spending because it has already been committed for debt service, capital projects, and education. The increase in fund balance can be attributed to an increase in fines and forfeitures revenue as well as general property taxes.

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 \$2,413,787 and can be briefly summarized as follows:

- \$740,240 in increases in Public Safety
- \$1,426,975 in increases in Community Development
- \$246,572 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, 2014 amounted to \$39,751,456 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment. The following is a comparison to the prior year of net capital assets as of June 30, 2014:

<u>County of Greenville, Virginia's Capital Assets</u>				
	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land	\$ 2,092,164	\$ 1,382,423	\$ 415,207	\$ 460,207
Land and landfill improvements	-	-	1,076,107	1,076,107
Infrastructure	-	-	40,461,524	38,133,833
Land improvements	1,416,126	1,416,126	-	-
Buildings and other improvements	22,456,422	22,456,422	2,803,808	2,803,808
Equipment	2,968,919	2,865,104	2,305,745	2,290,842
Tenancy in common (buildings)	15,361,185	16,805,603	-	-
Construction in progress	<u>6,467,298</u>	<u>5,269,687</u>	<u>3,017,217</u>	<u>2,503,073</u>
Total	\$ 50,762,114	\$ 50,195,365	\$ 50,079,608	\$ 47,267,870
Less accumulated depreciation	<u>(11,010,658)</u>	<u>(10,166,493)</u>	<u>(16,485,939)</u>	<u>(15,457,778)</u>
Net capital assets	<u>\$ 39,751,456</u>	<u>\$ 40,028,872</u>	<u>\$ 33,593,669</u>	<u>\$ 31,810,092</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 obligations - At the end of the current fiscal year, the County had total governmental activities obligations outstanding of \$32,491,259. Of this amount \$9,463,751 comprises debt backed by the full faith and credit of the County, (bonded debt). The remainder of the County's obligations 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 Long-term Obligations

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Literary loans	\$ 5,625,000	\$ 6,000,000	\$ -	\$ -
VPSA bonds	3,838,751	4,646,917	-	-
Revenue bonds	14,711,712	15,359,270	12,124,434	12,706,288
Loans payable	7,824,497	7,480,886	140,451	151,998
Landfill closure/post-closure	-	-	2,095,109	4,166,474
Bond Premiums	31,350	89,809	-	-
Compensated absences	366,249	310,289	184,512	249,948
Net OPEB Obligation	93,700	81,400	13,700	10,600
Capital lease	-	22,699	-	-
Total	\$ <u>32,491,259</u>	\$ <u>33,991,270</u>	\$ <u>14,558,206</u>	\$ <u>17,285,308</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 obligations decreased by a net of \$4,227,113 during the current fiscal year. Governmental activities debt decreased \$1,500,011 due to scheduled debt repayments while business-type activities debt decreased \$2,727,102 due to landfill closure cost reductions.

Additional information on the County of Greensville, Virginia's long-term obligations 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, 2014 was 7.7 percent, which is a decrease from a rate of 8.6 percent a year ago. This compares unfavorably to the state's average unemployment rate of 5.3 percent and unfavorably to the national average rate of 6.1 percent.

Inflationary trends in the region compare favorably to national indices.

The fiscal year 2015 General Fund budget increased from \$15,381,775 to \$15,771,269 or \$389,494 (3%). Fiscal year 2015 tax rates are as follows: \$0.67/\$100 Real Estate; \$5.00/\$100 Personal Property; \$4.00/\$100 Machinery and Tools; \$0.001/\$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 Position
June 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 786,197	\$ 4,879,033	\$ 5,665,230
Receivables (net of allowance for uncollectibles):			
Taxes receivable	8,734,659	-	8,734,659
Accounts receivable	162,335	673,723	836,058
Notes receivable	-	-	-
Loan receivable	-	41,362	41,362
Prepaid items	-	-	-
Due from component units	1,645,397	-	1,645,397
Long-term advance to Greensville County School Board	275,000	-	275,000
Due from other governmental units	428,600	-	428,600
Due from trustee	-	-	-
Due from City of Emporia, Virginia	-	-	-
Restricted assets:			
Cash and cash equivalents	801,830	-	801,830
Other assets:			
Other assets	-	-	-
Bond receivable	-	138,566	138,566
Loan receivable	-	850,956	850,956
Investment in industrial land	-	-	-
Investment in MaMaC	35,861	-	35,861
Capital assets (net of accumulated depreciation):			
Land	2,092,164	415,207	2,507,371
Infrastructure	-	26,098,939	26,098,939
Buildings and other improvements	30,752,680	2,766,575	33,519,255
Machinery and equipment	439,314	1,295,731	1,735,045
Construction in progress	6,467,298	3,017,217	9,484,515
Total assets	\$ 52,621,335	\$ 40,177,309	\$ 92,798,644
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	\$ -	\$ 92,564	\$ 92,564
LIABILITIES			
Reconciled overdraft payable	\$ 543,869	\$ -	\$ 543,869
Accounts payable	140,858	338,244	479,102
Accrued liabilities	-	-	-
Accrued interest payable	350,791	85,567	436,358
Due to primary government	-	-	-
Long-term advance from primary government	-	-	-
Due to City of Emporia	-	-	-
Long-term advance from Emporia	-	-	-
Unearned revenue	-	-	-
Debt service reserve - Greensville	-	-	-
Long-term liabilities:			
Due within one year	2,402,114	717,119	3,119,233
Due in more than one year	30,089,145	13,827,387	43,916,532
Total liabilities	\$ 33,526,777	\$ 14,968,317	\$ 48,495,094
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	\$ 8,309,302	\$ -	\$ 8,309,302
NET POSITION			
Net investment in capital assets	\$ 7,606,145	\$ 21,525,079	\$ 29,131,224
Restricted:			
Debt service	801,830	-	801,830
Employee benefits	-	-	-
Industry	-	-	-
Unrestricted	2,377,281	3,762,777	6,140,058
Total net position	\$ 10,785,256	\$ 25,287,856	\$ 36,073,112
Total liabilities, deferred inflows of resources and net position	\$ 52,621,335	\$ 40,256,173	\$ 92,877,508

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
\$ 2,966,725	\$ 497,811	\$ 156,055
-	-	-
53,425	-	-
-	-	11,339
-	-	-
164,235	-	-
-	-	-
1,969,849	305,015	-
-	-	-
-	502,930	-
-	63,916	105,033
-	-	-
-	-	-
-	-	18,331,098
-	-	-
442,775	-	-
-	-	2,371,805
10,382,439	-	-
1,967,021	32,180	-
-	-	-
<u>\$ 17,946,469</u>	<u>\$ 1,401,852</u>	<u>\$ 20,975,330</u>
\$ -	\$ -	\$ -
\$ -	\$ -	\$ -
534,002	506	-
1,777,621	-	-
-	-	-
922,348	719,142	3,907
275,000	-	-
224,725	-	-
225,000	-	-
-	-	-
-	-	101,083
-	13,623	152,972
185,800	122,608	1,663,120
<u>\$ 4,144,496</u>	<u>\$ 855,879</u>	<u>\$ 1,921,082</u>
\$ -	\$ -	\$ -
\$ 12,792,235	\$ 32,180	\$ 555,713
-	-	-
-	63,916	-
-	-	3,950
1,009,738	449,877	18,494,585
<u>\$ 13,801,973</u>	<u>\$ 545,973</u>	<u>\$ 19,054,248</u>
<u>\$ 17,946,469</u>	<u>\$ 1,401,852</u>	<u>\$ 20,975,330</u>

COUNTY OF GREENSVILLE, VIRGINIA

Statement of Activities

For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government administration	\$ 2,145,815	\$ 41,802	\$ 196,214	\$ -
Judicial administration	986,086	219,742	1,016,880	-
Public safety	3,797,846	1,594,642	1,249,535	27,328
Public works	1,236,062	95,932	-	-
Health and welfare	622,999	44,997	-	-
Education	3,026,037	-	25,771	-
Parks, recreation, and cultural	397,328	-	-	-
Community development	1,162,375	-	50,821	1,636,069
Interest on long-term debt	1,296,837	-	-	-
Total governmental activities	\$ 14,671,385	\$ 1,997,115	\$ 2,539,221	\$ 1,663,397
Business-type activities:				
Solid Waste	\$ 845,987	\$ 758,951	\$ -	\$ -
Water and Sewer Authority	3,943,957	3,711,769	-	115,398
Total business-type activities	\$ 4,789,944	\$ 4,470,720	\$ -	\$ 115,398
Total primary government	\$ 19,461,329	\$ 6,467,835	\$ 2,539,221	\$ 1,778,795
Component Units:				
School Board	\$ 26,741,943	\$ 4,140,890	\$ 19,899,180	\$ -
Department of Social Services	3,248,154	-	3,247,101	-
Industrial Development Authority	283,686	306,334	-	-
Total component units	\$ 30,273,783	\$ 4,447,224	\$ 23,146,281	\$ -
General revenues:				
General property taxes				
Other local taxes:				
Consumer utility				
Local sales and use taxes				
Business license taxes				
Motor vehicle licenses				
Restaurant food tax				
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 position				
Net position - beginning				
Net position - ending				

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

Net (Expense) Revenue and Changes in Net Position					
Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	School Board	Department of Social Services	Industrial Development Authority
\$ (1,907,799)	\$ -	\$ (1,907,799)	\$ -	\$ -	\$ -
250,536	-	250,536	-	-	-
(926,341)	-	(926,341)	-	-	-
(1,140,130)	-	(1,140,130)	-	-	-
(578,002)	-	(578,002)	-	-	-
(3,000,266)	-	(3,000,266)	-	-	-
(397,328)	-	(397,328)	-	-	-
524,515	-	524,515	-	-	-
(1,296,837)	-	(1,296,837)	-	-	-
<u>\$ (8,471,652)</u>	<u>\$ -</u>	<u>\$ (8,471,652)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ (87,036)	\$ (87,036)	\$ -	\$ -	\$ -
-	(116,790)	(116,790)	-	-	-
<u>\$ -</u>	<u>\$ (203,826)</u>	<u>\$ (203,826)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ (8,471,652)</u>	<u>\$ (203,826)</u>	<u>\$ (8,675,478)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (2,701,873)	\$ -	\$ -
-	-	-	-	(1,053)	-
-	-	-	-	-	22,648
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,701,873)</u>	<u>\$ (1,053)</u>	<u>\$ 22,648</u>
\$ 7,173,293	\$ -	\$ 7,173,293	\$ -	\$ -	\$ -
297,881	-	297,881	-	-	-
689,830	-	689,830	-	-	-
445,077	-	445,077	-	-	-
195,098	-	195,098	-	-	-
190,474	-	190,474	-	-	-
185,956	-	185,956	-	-	-
282,595	46,787	329,382	191	253	151
197,154	28,915	226,069	226,724	6,513	-
1,334,540	6,366	1,340,906	2,881,672	-	-
<u>\$ 10,991,898</u>	<u>\$ 82,068</u>	<u>\$ 11,073,966</u>	<u>\$ 3,108,587</u>	<u>\$ 6,766</u>	<u>\$ 151</u>
\$ 2,520,246	\$ (121,758)	\$ 2,398,488	\$ 406,714	\$ 5,713	\$ 22,799
8,265,010	25,409,614	33,674,624	13,395,259	540,260	19,031,449
<u>\$ 10,785,256</u>	<u>\$ 25,287,856</u>	<u>\$ 36,073,112</u>	<u>\$ 13,801,973</u>	<u>\$ 545,973</u>	<u>\$ 19,054,248</u>

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Fund Financial Statements

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Balance Sheet
 Governmental Funds
 June 30, 2014

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 786,197	\$ -	\$ 786,197
Receivables (net of allowance for uncollectibles):			
Taxes receivable	8,734,659	-	8,734,659
Accounts receivable	162,335	-	162,335
Due from component units	1,645,397	-	1,645,397
Advance to Component Unit - School Board	275,000	-	275,000
Due from other governmental units	409,951	18,649	428,600
Restricted assets:			
Cash and cash equivalents	801,830	-	801,830
 Total assets	 <u>\$ 12,815,369</u>	 <u>\$ 18,649</u>	 <u>\$ 12,834,018</u>
LIABILITIES			
Reconciled overdraft	\$ -	\$ 543,869	\$ 543,869
Accounts payable	140,858	-	140,858
 Total liabilities	 <u>\$ 140,858</u>	 <u>\$ 543,869</u>	 <u>\$ 684,727</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable property tax revenue	\$ 8,674,117	\$ -	\$ 8,674,117
FUND BALANCES:			
Restricted:			
Debt service	\$ 801,830	\$ -	\$ 801,830
Education	275,000	-	275,000
Unassigned	2,923,564	(525,220)	2,398,344
 Total fund balances	 <u>\$ 4,000,394</u>	 <u>\$ (525,220)</u>	 <u>\$ 3,475,174</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 12,815,369</u>	 <u>\$ 18,649</u>	 <u>\$ 12,834,018</u>

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

Reconciliation of the Balance Sheet of Governmental Funds
 To the Statement of Net Position
 June 30, 2014

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	3,475,174	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			39,751,456
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.			364,815
Investment in joint venture - MaMaC			35,861
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	\$	(350,791)	
Long-term obligations		<u>(32,491,259)</u>	<u>(32,842,050)</u>
Net position of governmental activities	\$		<u><u>10,785,256</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, 2014

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Total</u>
REVENUES			
General property taxes	\$ 7,108,436	\$ -	\$ 7,108,436
Other local taxes	2,004,316	-	2,004,316
Permits, privilege fees, and regulatory licenses	58,037	-	58,037
Fines and forfeitures	1,530,075	-	1,530,075
Revenue from the use of money and property	282,339	256	282,595
Charges for services	409,003	-	409,003
Miscellaneous	197,154	-	197,154
Recovered costs	1,255,018	-	1,255,018
Intergovernmental:			
Commonwealth	4,654,953	454,383	5,109,336
Federal	271,751	156,071	427,822
Total revenues	<u>\$ 17,771,082</u>	<u>\$ 610,710</u>	<u>\$ 18,381,792</u>
EXPENDITURES			
Current:			
General government administration	\$ 1,692,499	\$ -	\$ 1,692,499
Judicial administration	1,244,857	-	1,244,857
Public safety	4,211,852	-	4,211,852
Public works	1,429,729	-	1,429,729
Health and welfare	644,728	-	644,728
Education	1,560,079	-	1,560,079
Parks, recreation, and cultural	340,361	-	340,361
Community development	2,261,933	-	2,261,933
Nondepartmental	8,532	-	8,532
Capital projects	-	925,181	925,181
Debt service:			
Principal retirement	2,614,209	-	2,614,209
Interest and other fiscal charges	1,403,828	-	1,403,828
Total expenditures	<u>\$ 17,412,607</u>	<u>\$ 925,181</u>	<u>\$ 18,337,788</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 358,475</u>	<u>\$ (314,471)</u>	<u>\$ 44,004</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 30,000	\$ 190,000	\$ 220,000
Transfers (out)	(190,000)	(30,000)	(220,000)
Payments on bond anticipation note	(6,153,000)	-	(6,153,000)
Issuance of loan	6,530,000	-	6,530,000
Issuance of bonds	-	668,938	668,938
Total other financing sources (uses)	<u>\$ 217,000</u>	<u>\$ 828,938</u>	<u>\$ 1,045,938</u>
Net change in fund balances	\$ 575,475	\$ 514,467	\$ 1,089,942
Fund balances - beginning	<u>3,424,919</u>	<u>(1,039,687)</u>	<u>2,385,232</u>
Fund balances - ending	<u><u>\$ 4,000,394</u></u>	<u><u>\$ (525,220)</u></u>	<u><u>\$ 3,475,174</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, 2014

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

Net change in fund balances - total governmental funds	\$	1,089,942
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlay exceeded depreciation in the current period:

Capital asset additions	\$	2,011,167	
Depreciation expense		(812,804)	
Net transfer of assets to School Board		<u>(1,475,779)</u>	(277,416)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	64,857
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Investment in joint venture - MaMaC	35,861
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The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term obligations and related items:

Issuances of new debt	\$	(7,198,938)	
Principal retirement on long-term obligations		<u>8,767,209</u>	1,568,271
Decrease in accrued interest payable	\$	106,991	
(Increase) in compensated absences		(55,960)	
(Increase) in net OBEB obligation		<u>(12,300)</u>	<u>38,731</u>

Change in net position of governmental activities	\$	<u><u>2,520,246</u></u>
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The notes to the financial statements are an integral part of this statement.

Statement of Net Position
 Proprietary Funds
 June 30, 2014

	Enterprise Funds		
	Solid Waste	Water & Sewer Authority	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 3,827,216	\$ 550,063	\$ 4,377,279
Cash in hands of trustee	-	130,063	130,063
Cash with fiscal agent	-	371,691	371,691
Accounts receivable, net of allowance for uncollectibles	154,422	519,301	673,723
Bonds receivable	-	138,566	138,566
Loan receivable, current portion	-	41,362	41,362
Total current assets	\$ 3,981,638	\$ 1,751,046	\$ 5,732,684
Noncurrent assets:			
Loan receivable, net of current portion	\$ -	\$ 850,956	\$ 850,956
Capital assets:			
Land	-	415,207	415,207
Infrastructure	2,803,807	38,733,824	41,537,631
Building and other improvements	-	2,803,808	2,803,808
Equipment	1,381,558	924,187	2,305,745
Less accumulated depreciation	(1,884,161)	(14,601,778)	(16,485,939)
Construction in progress	1,912,341	1,104,876	3,017,217
Total capital assets	\$ 4,213,545	\$ 29,380,124	\$ 33,593,669
Total noncurrent assets	\$ 4,213,545	\$ 30,231,080	\$ 34,444,625
Total assets	\$ 8,195,183	\$ 31,982,126	\$ 40,177,309
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	\$ -	\$ 92,564	\$ 92,564
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	\$ -	\$ 338,244	\$ 338,244
Accrued interest payable	28,876	56,691	85,567
Compensated absences - current portion	2,313	16,138	18,451
Long-term obligations - current portion	103,731	594,937	698,668
Total current liabilities	\$ 134,920	\$ 1,006,010	\$ 1,140,930
Noncurrent liabilities:			
Accrued closure and postclosure landfill costs	\$ 2,095,109	\$ -	\$ 2,095,109
Compensated absences - net of current portion	20,815	145,246	166,061
Net OPEB obligation	-	13,700	13,700
Bonds and notes payable - net of current portion	2,989,477	8,576,740	11,566,217
Total noncurrent liabilities	\$ 5,105,401	\$ 8,735,686	\$ 13,841,087
Total liabilities	\$ 5,240,321	\$ 9,741,696	\$ 14,982,017
NET POSITION			
Net Investment in capital assets	\$ 1,224,068	\$ 20,301,011	\$ 21,525,079
Unrestricted	1,730,794	2,031,983	3,762,777
Total net position	\$ 2,954,862	\$ 22,332,994	\$ 25,287,856

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

Statement of Revenues, Expenses, and Changes in Net Position
 Proprietary Funds
 For the Year Ended June 30, 2014

	Enterprise Funds		
	Solid Waste	Water & Sewer Authority	Total
OPERATING REVENUES			
Charges for services:			
Disposal fees	\$ 758,788	\$ -	\$ 758,788
Metered sales - water	-	1,649,794	1,649,794
User fees - sewer	-	1,978,137	1,978,137
Penalties	13	41,244	41,257
Other revenues	150	42,594	42,744
Total operating revenues	\$ 758,951	\$ 3,711,769	\$ 4,470,720
OPERATING EXPENSES			
Personnel services	\$ 206,225	\$ -	\$ 206,225
Fringe benefits	72,320	-	72,320
Contractual services	150,544	-	150,544
Internal services	95,000	-	95,000
Other charges	118,686	-	118,686
Water and sewer operations	-	2,546,762	2,546,762
Depreciation	152,676	881,981	1,034,657
Amortization of deferred charge on refunding	-	13,223	13,223
Landfill closure costs	35,391	-	35,391
Total operating expenses	\$ 830,842	\$ 3,441,966	\$ 4,272,808
Operating income (loss)	\$ (71,891)	\$ 269,803	\$ 197,912
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental revenue	\$ 6,366	\$ -	\$ 6,366
Interest expense	(28,876)	(456,991)	(485,867)
Interest income	11,335	35,452	46,787
Contribution to Greenville County	-	(45,000)	(45,000)
Other nonoperating revenues	-	28,915	28,915
Other nonoperating expenses	13,731	-	13,731
Total nonoperating revenues (expenses)	\$ 2,556	\$ (437,624)	\$ (435,068)
Income before capital contributions	(69,335)	(167,821)	(237,156)
Capital contributions	\$ -	\$ 115,398	\$ 115,398
Total capital contributions	\$ -	\$ 115,398	\$ 115,398
Change in net position	\$ (69,335)	\$ (52,423)	\$ (121,758)
Total net position - beginning, as restated	3,024,197	22,385,417	25,409,614
Total net position - ending	\$ 2,954,862	\$ 22,332,994	\$ 25,287,856

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, 2014

	Enterprise Funds		
	Solid Waste	Water & Sewer Authority	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 775,325	\$ 3,700,263	\$ 4,475,588
Receipts for other charges	150	-	150
Payments to suppliers of goods and services	(407,100)	(1,611,604)	(2,018,704)
Payments to employees	(275,602)	(1,150,147)	(1,425,749)
Payments for interfund services used	(95,000)	-	(95,000)
Payments for other charges	(118,686)	-	(118,686)
Net cash provided by (used for) operating activities	<u>\$ (120,913)</u>	<u>\$ 938,512</u>	<u>\$ 817,599</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Nonoperating grants from Commonwealth of Virginia	\$ 6,366	\$ -	\$ 6,366
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	\$ (1,216,194)	\$ (1,656,787)	\$ (2,872,981)
Reduction of landfill closure liability	(2,106,756)	-	(2,106,756)
Other nonoperating income	-	38,662	38,662
Capital contributions	-	115,398	115,398
Interest payments	-	(464,551)	(464,551)
Proceeds from bonds receivable	-	1,162,684	1,162,684
Principal payments on loans receivable	-	39,871	39,871
Retirement of indebtedness	-	(579,670)	(579,670)
Net cash provided by (used for) capital and related financing activities	<u>\$ (3,322,950)</u>	<u>\$ (1,344,393)</u>	<u>\$ (4,667,343)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	\$ 11,335	\$ 35,452	\$ 46,787
Net increase (decrease) in cash and cash equivalents	\$ (3,426,162)	\$ (370,429)	\$ (3,796,591)
Cash and cash equivalents - beginning	7,253,378	1,422,246	8,675,624
Cash and cash equivalents - ending	<u>\$ 3,827,216</u>	<u>\$ 1,051,817</u>	<u>\$ 4,879,033</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (71,891)	\$ 269,803	\$ 197,912
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation and amortization expense	\$ 152,676	\$ 895,204	\$ 1,047,880
Amortization of closure and postclosure costs	35,391	-	35,391
(Increase) decrease in accounts receivable	16,524	(11,506)	5,018
Increase (decrease) in accounts payable	(256,556)	(149,710)	(406,266)
Increase (decrease) in compensated absences	2,943	(68,379)	(65,436)
Increase in net OPEB obligation	-	3,100	3,100
Total adjustments	<u>\$ (49,022)</u>	<u>\$ 668,709</u>	<u>\$ 619,687</u>
Net cash provided by (used for) operating activities	<u>\$ (120,913)</u>	<u>\$ 938,512</u>	<u>\$ 817,599</u>

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

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COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014

Note 1—Summary of Significant Accounting Policies:

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

Financial Statement Presentation

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

Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

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

B. Individual Component Unit Disclosures

1. Blended Component Units

The Greenville County Water and Sewer Authority has separate corporate powers that distinguish it as being legally separate from the County of Greenville, 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 Greenville Water and Sewer Authority is a blended component unit of the County. The financial data of the Authority for its year ended September 30, 2013 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 Greenville County Circle, Emporia, Virginia 23847.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

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

B. Individual Component Unit Disclosures (Continued)

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 Governmental 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 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.

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 Greensville, 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.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

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

C. Other Related Organizations (Continued)

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.

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 not financial benefit or burden relationship with the County.

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 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.

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

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

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 and report 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.

b. Capital Projects Fund

The Capital Projects Fund accounts for and reports all financial resources used for the acquisition or construction of major capital facilities. The Capital Projects Fund is considered a major fund for reporting purposes.

2. 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 Water and Sewer Authority (blended component unit) are Enterprise Funds.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

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

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

2. Proprietary Fund (Continued)

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.

E. Budgets and Budgetary Accounting

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

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

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

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

F. Cash and Cash Equivalents: (Continued)

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 noncurrent 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 \$199,875 at June 30, 2014 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.

H. Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure, are reported in the 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 the asset's life 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, 2014 was immaterial.

Property, plant and equipment of the primary government, and infrastructure 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
Land Improvements	20

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

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

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 Position. 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 obligations are reported as liabilities in the applicable governmental activities. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, 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.

K. 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.

L. 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.

M. 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	\$ 385,708
Series 2003 Lease Revenue Bond	<u>416,122</u>
Total restricted cash, Exhibit 3	<u>\$ 801,830</u>
Total restricted cash, Exhibit 1	<u><u>\$ 801,830</u></u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

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

N. Fund Balances

Financial Policies

The Board of Supervisors meets on a monthly basis to manage and review cash financial activities and to ensure compliance with established policies. It is the County's policy to fund current expenditures with current revenues and the County's mission is to strive to maintain a diversified and stable revenue stream to protect the government from problematic fluctuations in any single revenue source and provide stability to ongoing services. The County's unassigned General Fund balance will be maintained to provide the County with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing.

Under GASB 54, fund balances are required to be reported according to the following classifications:

Nonspendable fund balance - Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid amounts, assets held for sale, and long-term receivables.

Restricted fund balance - Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed fund balance - Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the government's highest level of decision-making authority.

Assigned fund balance - Amounts that are constrained by the County's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body (such as a Finance Committee), or by an official to whom that authority has been given. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.

Unassigned fund balance - This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed or assigned.

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

O. Designated Cash

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

Designated for new equipment	\$ 218,167
Designated for new cell development	212,390
Designated for postclosure monitoring	1,147,332
Designated for landfill closure	<u>1,444,611</u>
Total designated cash	<u>\$ 3,022,500</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

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

P. Net Position

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

Q. Net Position Flow Assumption

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

R. Deferred Outflows/Inflows of Resources

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

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

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

Note 2—Deposits and Investments:

Deposits

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

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, 2014 were rated by Standard & Poor's and the ratings are presented below using Standard & Poor's rating scale.

County's Rated Debt Investments' Values			
Rated Debt Investments	Fair Quality Ratings		
	AAA	AAAm	
U.S. Agencies Money Market	\$ 855,945	\$ -	
Local Government Investment Pool	-	365,639	
Total	\$ 855,945	\$ 365,639	

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, 2014 (Continued)

Note 3—Due From/To Other Governmental Units:

At June 30, 2014 the County has receivables from other governments as follows:

Primary Government:

Commonwealth of Virginia:

Local Sales Tax	\$	226,557
Communications Tax		30,041
Other State Funds		153,352
Total due from Commonwealth of Virginia	\$	<u>409,950</u>

Federal government:

Highway Construction	\$	
Emergency Preparedness		
Community Development Block Grant		18,650
Total due from federal government	\$	<u>18,650</u>

Total Due From Other Governmental Units \$ 428,600

Discretely Presented Component Units:

School Board:

State Sales Tax	\$	422,551
Other State School Funds		-
Federal School Funds		1,547,298
Total School Board	\$	<u>1,969,849</u>

Department of Social Services:

State Public assistance	\$	55,249
State Comprehensive Services Act		128,664
Federal Public assistance		121,102
		<u>305,015</u>

Total Department of Social Services \$ 305,015

Total Discretely Presented Component Units \$ 2,274,864

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

Note 4—Capital Assets:

Primary Government:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,382,423	\$ 709,741	\$ -	\$ 2,092,164
Construction in progress	<u>5,269,687</u>	<u>1,197,611</u>	<u>-</u>	<u>6,467,298</u>
Total capital assets not being depreciated	<u>\$ 6,652,110</u>	<u>\$ 1,907,352</u>	<u>\$ -</u>	<u>\$ 8,559,462</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 22,456,422	\$ -	\$ -	\$ 22,456,422
Land Improvements	1,416,126	-	-	1,416,126
Machinery and Equipment	2,865,104	103,815	-	2,968,919
Jointly owned assets	<u>16,805,603</u>	<u>-</u>	<u>1,444,418</u>	<u>15,361,185</u>
Total capital assets being depreciated	<u>\$ 43,543,255</u>	<u>\$ 103,815</u>	<u>\$ 1,444,418</u>	<u>\$ 42,202,652</u>
Accumulated depreciation:				
Buildings and improvements	\$ 4,475,697	\$ 561,411	\$ -	\$ 5,037,108
Land Improvements	414,686	70,806	-	485,492
Machinery and Equipment	2,349,018	180,587	-	2,529,605
Jointly owned assets	<u>2,927,092</u>	<u>375,142</u>	<u>343,781</u>	<u>2,958,453</u>
Total accumulated depreciation	<u>\$ 10,166,493</u>	<u>\$ 1,187,946</u>	<u>\$ 343,781</u>	<u>\$ 11,010,658</u>
Total capital assets being depreciated, net	<u>\$ 33,376,762</u>	<u>\$ (1,084,131)</u>	<u>\$ 1,100,637</u>	<u>\$ 31,191,994</u>
Governmental activities capital assets, net	<u>\$ 40,028,872</u>	<u>\$ 823,221</u>	<u>\$ 1,100,637</u>	<u>\$ 39,751,456</u>
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 460,207	\$ -	\$ 45,000	\$ 415,207
Construction in progress	<u>2,503,073</u>	<u>2,841,835</u>	<u>2,327,691</u>	<u>3,017,217</u>
Total capital assets not being depreciated	<u>\$ 2,963,280</u>	<u>\$ 2,841,835</u>	<u>\$ 2,372,691</u>	<u>\$ 3,432,424</u>
Capital assets being depreciated:				
Infrastructure	\$ 39,209,940	\$ 2,327,691	\$ -	\$ 41,537,631
Buildings and improvements	2,803,808	-	-	2,803,808
Machinery and Equipment	<u>2,290,842</u>	<u>31,146</u>	<u>16,243</u>	<u>2,305,745</u>
Total capital assets being depreciated	<u>\$ 44,304,590</u>	<u>\$ 2,358,837</u>	<u>\$ 16,243</u>	<u>\$ 46,647,184</u>
Accumulated depreciation:				
Infrastructure	\$ 12,953,566	\$ 829,316	\$ -	\$ 13,782,882
Buildings and other improvements	799,618	91,547	-	891,165
Machinery and Equipment	<u>1,704,594</u>	<u>113,794</u>	<u>6,496</u>	<u>1,811,892</u>
Total accumulated depreciation	<u>\$ 15,457,778</u>	<u>\$ 1,034,657</u>	<u>\$ 6,496</u>	<u>\$ 16,485,939</u>
Total capital assets being depreciated, net	<u>\$ 28,846,812</u>	<u>\$ 1,324,180</u>	<u>\$ 9,747</u>	<u>\$ 30,161,245</u>
Business-type activities, net	<u>\$ 31,810,092</u>	<u>\$ 4,166,015</u>	<u>\$ 2,382,438</u>	<u>\$ 33,593,669</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

Note 4—Capital Assets: (Continued)

Discretely Presented Component Unit School Board:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
Capital assets not being depreciated:				
Land	\$ 442,775	\$ -	\$ -	\$ 442,775
Total capital assets not being depreciated	\$ 442,775	\$ -	\$ -	\$ 442,775
Capital assets being depreciated:				
Buildings and improvements	\$ 35,506,234	\$ -	\$ -	\$ 35,506,234
Machinery and equipment	5,143,793	169,796	-	5,313,589
Jointly owned assets	(16,805,603)	1,444,418	-	(15,361,185)
Total capital assets being depreciated	\$ 23,844,424	\$ 1,614,214	\$ -	\$ 25,458,638
Accumulated depreciation:				
Buildings and improvements	\$ 11,881,415	\$ 839,648	\$ -	\$ 12,721,063
Machinery and equipment	3,009,249	337,319	-	3,346,568
Jointly owned assets	(2,927,092)	343,781	375,142	(2,958,453)
Total accumulated depreciation	\$ 11,963,572	\$ 1,520,748	\$ 375,142	\$ 13,109,178
Total capital assets being depreciated, net	\$ 11,880,852	\$ 93,466	\$ (375,142)	\$ 12,349,460
Governmental activities capital assets, net	\$ 12,323,627	\$ 93,466	\$ (375,142)	\$ 12,792,235

Discretely Presented Component Unit Department of Social Services:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
Capital assets being depreciated:				
Machinery and equipment	\$ 87,183	\$ -	\$ -	\$ 87,183
Accumulated depreciation:				
Machinery and equipment	\$ 44,277	\$ 10,726	\$ -	\$ 55,003
Total capital assets being depreciated, net	\$ 42,906	\$ (10,726)	\$ -	\$ 32,180

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

Note 4—Capital Assets: (Continued)

Discretely Presented Component Unit Industrial Development Authority:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
Capital assets being depreciated:				
Buildings	\$ 4,012,951	\$ -	\$ -	\$ 4,012,951
Accumulated depreciation:				
Buildings	\$ 1,507,381	\$ 133,765	\$ -	\$ 1,641,146
Total accumulated depreciation	\$ 1,507,381	\$ 133,765	\$ -	\$ 1,641,146
Total capital assets being depreciated, net	<u>\$ 2,505,570</u>	<u>\$ (133,765)</u>	<u>\$ -</u>	<u>\$ 2,371,805</u>

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

Governmental activities

General government administration	\$ 457,596
Judicial administration	42,124
Public safety	99,672
Public works	46,616
Education	399,608
Parks and recreation	11,146
Community development	<u>131,184</u>

Total \$ 1,187,946

Business-type activities \$ 1,034,657

Component Unit-School Board \$ 1,520,748

Component Unit-School Department of Social Services \$ 10,726

Component Unit-School Industrial Development Authority \$ 133,765

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

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

<u>Fund</u>	<u>Due From Primary Government/ Component Unit</u>	<u>Due To Primary Government/ Component Unit</u>
Primary Government:		
Governmental Funds	\$ 1,645,397	\$ -
Discretely Presented Component Units:		
IDA of Greensville County		3,907
School Board:		
School Operating Fund	-	922,348
Department of Social Services:		
Virginia Public Assistance Fund	-	719,142
Total	<u>\$ 1,645,397</u>	<u>\$ 1,645,397</u>
Interfund Transfers:		
<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ 30,000	\$ 190,000
Capital Projects Fund	190,000	30,000
Total	<u>\$ 220,000</u>	<u>\$ 220,000</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

Note 6—Long-term Obligations:

Changes in Long-term Obligations:

The following is a summary of long-term obligations transactions of the County and Component Units for the year ended June 30, 2014:

	<u>Balance July 1, 2013</u>	<u>Issuances/ Additions</u>	<u>Retirements/ Deletions</u>	<u>Balance June 30, 2014</u>	<u>Due Within One Year</u>
Primary Government:					
<u>Governmental Activities</u>					
Revenue bonds	\$ 15,359,270	\$ 6,440,000	\$ 7,087,558	\$ 14,711,712	\$ 928,606
Premium on bonds	89,809	-	58,459	31,350	1,120
USDA loans	5,926,817	758,938	186,746	6,499,009	173,022
Note payable	1,554,069	-	228,581	1,325,488	71,429
Capital lease	22,699	-	22,699	-	-
Literary fund loans	6,000,000	-	375,000	5,625,000	375,000
VPSA bonds	4,646,917	-	808,166	3,838,751	816,312
Net OPEB obligation	81,400	22,000	9,700	93,700	-
Compensated absences	310,289	55,960	-	366,249	36,625
Total Governmental Activities	<u>\$ 33,991,270</u>	<u>\$ 7,276,898</u>	<u>\$ 8,776,909</u>	<u>\$ 32,491,259</u>	<u>\$ 2,402,114</u>
<u>Business-type Activities</u>					
Revenue bonds	\$ 11,740,141	\$ -	\$ 535,141	\$ 11,205,000	\$ 640,000
Premium on bonds	966,147	-	46,713	919,434	46,713
Note payable	151,998	-	11,547	140,451	11,955
Landfill closure and postclosure liability	4,166,474	-	2,071,365	2,095,109	-
Net OPEB obligation	10,600	4,400	1,300	13,700	-
Compensated absences	249,948	2,943	68,379	184,512	18,451
Total Business-type Activities	<u>\$ 17,285,308</u>	<u>\$ 7,343</u>	<u>\$ 2,734,445</u>	<u>\$ 14,558,206</u>	<u>\$ 717,119</u>
Component Unit Industrial Development Authority					
Notes payable	<u>\$ 2,010,905</u>	<u>\$ -</u>	<u>\$ 194,813</u>	<u>\$ 1,816,092</u>	<u>\$ 152,972</u>
Component Unit Department of Social Services					
Compensated absences	<u>\$ 152,670</u>	<u>\$ -</u>	<u>\$ 16,439</u>	<u>\$ 136,231</u>	<u>\$ 13,623</u>
Component Unit Department School Board					
Net OPEB obligation	<u>\$ 159,000</u>	<u>\$ 79,200</u>	<u>\$ 52,400</u>	<u>\$ 185,800</u>	<u>\$ -</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

Note 6—Long-term Obligations: (Continued)

Primary Government—Governmental Activities:

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

Year Ending June 30,	Primary Government					
	Revenue Bonds		VPSA Bonds		Note payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 928,606	\$ 557,257	\$ 816,312	\$ 194,309	\$ 71,429	\$ 53,659
2016	964,753	519,847	824,893	152,664	74,450	50,638
2017	1,002,004	480,572	833,971	110,452	77,600	47,489
2018	1,039,362	421,965	843,575	67,715	80,882	44,206
2019	1,087,834	396,520	160,000	43,289	84,303	40,785
2020	1,130,425	350,960	45,000	40,356	87,869	37,219
2021	790,141	313,760	45,000	40,356	91,586	33,503
2022	812,987	285,432	45,000	40,356	95,460	29,629
2023	848,971	255,371	45,000	40,356	99,498	25,591
2024	879,099	223,995	45,000	40,356	103,706	21,382
2025	865,530	192,064	45,000	40,356	108,093	16,996
2026	877,000	161,261	45,000	40,356	112,665	12,423
2027	905,000	129,586	45,000	40,356	117,431	7,658
2028	938,000	96,727	-	-	120,516	417
2029	552,000	62,722	-	-	-	-
2030	60,000	45,569	-	-	-	-
2031	70,000	42,981	-	-	-	-
2032	70,000	40,272	-	-	-	-
2033	75,000	37,303	-	-	-	-
2034	75,000	34,059	-	-	-	-
2035	80,000	30,675	-	-	-	-
2036	80,000	27,175	-	-	-	-
2037	85,000	23,559	-	-	-	-
2038	90,000	19,713	-	-	-	-
2039	95,000	15,659	-	-	-	-
2040	100,000	11,400	-	-	-	-
2041	105,000	6,909	-	-	-	-
2042	105,000	2,303	-	-	-	-
Total	<u>\$ 14,711,712</u>	<u>\$ 4,785,616</u>	<u>\$ 3,838,751</u>	<u>\$ 891,277</u>	<u>\$ 1,325,488</u>	<u>\$ 421,595</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

Note 6—Long-term Obligations: (Continued)

Primary Government—Governmental Activities: (Continued)

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

Year Ending June 30,	Primary Government					
	Capital Lease		Literary Loans		USDA Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ -	\$ -	\$ 375,000	\$ 112,500	\$ 173,022	\$ 248,252
2016	-	-	375,000	105,000	179,383	241,891
2017	-	-	375,000	97,500	185,940	235,334
2018	-	-	375,000	90,000	191,008	228,457
2019	-	-	375,000	82,500	170,173	221,363
2020	-	-	375,000	75,000	156,372	215,066
2021	-	-	375,000	67,500	162,153	209,285
2022	-	-	375,000	60,000	168,224	203,214
2023	-	-	375,000	52,500	174,485	196,953
2024	-	-	375,000	45,000	180,981	190,457
2025	-	-	375,000	37,500	187,687	183,751
2026	-	-	375,000	30,000	194,712	176,726
2027	-	-	375,000	22,500	201,967	169,471
2028	-	-	375,000	15,000	217,214	161,944
2029	-	-	375,000	7,500	183,628	153,891
2030	-	-	-	-	190,564	146,955
2031	-	-	-	-	197,732	139,787
2032	-	-	-	-	205,171	132,348
2033	-	-	-	-	220,982	124,653
2034	-	-	-	-	132,948	115,552
2035	-	-	-	-	136,176	110,362
2036	-	-	-	-	121,693	105,020
2037	-	-	-	-	126,445	100,269
2038	-	-	-	-	131,431	95,282
2039	-	-	-	-	136,591	90,122
2040	-	-	-	-	141,957	84,756
2041	-	-	-	-	147,518	79,195
2042	-	-	-	-	153,335	73,378
2043	-	-	-	-	159,366	67,347
2044	-	-	-	-	165,637	61,076
2045	-	-	-	-	172,145	54,568
2046	-	-	-	-	178,936	47,777
2047	-	-	-	-	185,986	40,727
2048	-	-	-	-	193,316	33,397
2049	-	-	-	-	200,932	25,781
2050	-	-	-	-	180,582	17,849
2051	-	-	-	-	143,796	10,707
2052	-	-	-	-	128,760	5,321
2053	-	-	-	-	20,061	688
Total	\$ -	\$ -	\$ 5,625,000	\$ 900,000	\$ 6,499,009	\$ 4,798,972

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

Note 6—Long-term Obligations: (Continued)

Primary Government—Business-type Activities:

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

Year Ended Sept. 30,	Water and Sewer Revenue Bonds							
	2004		2002 Refunding		2012B		2011B	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 15,000	\$ 18,628	\$ 315,000	\$ 105,310	\$ 5,000	\$ 9,531	\$ 55,000	\$ 73,469
2015	15,000	18,086	325,000	90,536	5,000	9,375	60,000	71,500
2016	15,000	17,422	340,000	76,481	5,000	9,169	60,000	68,625
2017	15,000	16,808	355,000	61,273	5,000	8,963	65,000	66,150
2018	15,000	16,192	370,000	45,093	5,000	8,706	65,000	63,019
2019	15,000	15,578	390,000	27,751	5,000	8,450	70,000	60,588
2020	15,000	14,962	405,000	9,366	5,000	8,194	70,000	57,450
2021	15,000	14,346	-	-	10,000	7,938	75,000	54,363
2022	15,000	13,714	-	-	10,000	7,425	80,000	50,519
2023	20,000	13,080	-	-	10,000	6,913	85,000	46,419
2024	20,000	12,210	-	-	10,000	6,400	90,000	42,063
2025	20,000	11,314	-	-	10,000	5,938	95,000	37,450
2026	20,000	10,294	-	-	10,000	5,475	95,000	32,581
2027	20,000	9,276	-	-	10,000	5,038	100,000	27,713
2028	20,000	8,330	-	-	10,000	4,650	110,000	22,588
2029	20,000	7,384	-	-	10,000	4,263	115,000	17,300
2030	25,000	6,440	-	-	10,000	3,875	120,000	11,756
2031	25,000	5,290	-	-	10,000	3,550	125,000	6,006
2032	30,000	4,140	-	-	15,000	3,225	-	-
2033	30,000	2,760	-	-	15,000	2,719	-	-
2034	30,000	1,385	-	-	15,000	2,175	-	-
2035	-	-	-	-	15,000	1,631	-	-
2036	-	-	-	-	15,000	1,088	-	-
2037	-	-	-	-	15,000	544	-	-
Total	\$ 415,000	\$ 237,639	\$ 2,500,000	\$ 415,810	\$ 235,000	\$ 135,235	\$ 1,535,000	\$ 809,559
Premium on bonds payable			23,021		-		196,616	
Less unamortized discount on bond issuance			-		-		-	
Total			\$ 2,523,021		\$ 235,000		\$ 1,731,616	

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

Note 6—Long-term Obligations: (Continued)

Primary Government—Business-type Activities: (Continued)

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

Year Ended Sept. 30,	Infrastructure Revenue Bonds		Note Payable	
	Principal	Interest	Principal	Interest
2014	\$ 160,000	\$ 178,219	\$ 11,955	\$ 4,812
2015	160,000	174,249	12,377	4,390
2016	170,000	167,029	12,815	3,952
2017	180,000	160,776	13,267	3,501
2018	180,000	151,416	13,735	3,032
2019	190,000	143,056	14,220	2,547
2020	200,000	133,726	14,722	2,045
2021	205,000	126,226	15,242	1,525
2022	220,000	117,854	15,780	987
2023	230,000	107,633	16,338	372
2024	235,000	96,898	-	-
2025	250,000	85,815	-	-
2026	265,000	73,940	-	-
2027	275,000	61,360	-	-
2028	285,000	47,060	-	-
2029	300,000	32,240	-	-
2030	320,000	16,640	-	-
Total	\$ 3,825,000	\$ 1,874,137	\$ 140,451	\$ 27,163
Premium on bonds payable	301,589			
Total	\$ 4,126,589			

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

Note 6—Long-term Obligations: (Continued)

Primary Government—Business-type Activities: (Continued)

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

Year Ended June 30,	Landfill Revenue Bonds	
	2013	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 90,000	\$ 114,423
2016	90,000	111,485
2017	95,000	108,644
2018	100,000	105,248
2019	105,000	100,669
2020	105,000	95,963
2021	110,000	90,754
2022	115,000	86,513
2023	120,000	82,041
2024	125,000	76,113
2025	135,000	70,201
2026	140,000	64,348
2027	145,000	58,163
2028	150,000	51,554
2029	160,000	44,560
2030	165,000	37,182
2031	175,000	29,469
2032	180,000	21,391
2033	190,000	12,874
2034	<u>200,000</u>	<u>4,250</u>
Total	\$ 2,695,000	\$ <u>1,365,844</u>
Premium	<u>398,208</u>	
Total	\$ <u>3,093,208</u>	

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

Note 6—Long-term Obligations: (Continued)

Details of Long-term Indebtedness:

	<u>Amount Outstanding</u>
<u>Primary Government--Governmental Activities:</u>	
<u>State Literary Fund Loans:</u>	
Authorized \$7,500,000, issued February 2009, payable annually at \$375,000 principal over 20 years through 2029, plus interest payable at 2%	\$ <u>5,625,000</u>
Total State Literary Fund Loans	\$ <u>5,625,000</u>
<u>Virginia Public School Authority Bonds:</u>	
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	\$ 1,178,751
Authorized \$760,000 QSC Bonds, Series 2010-1, issued July 1, 2010, payable annually at \$85,356 annually through 2027, plus interest paid semi-annually and reimbursed by a federal tax credit equal to the interest paid of 5.31%	585,000
Authorized \$7,570,000 General Obligation Bonds, Series 1997-A, issued 1997, 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%	1,500,000
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>575,000</u>
Total Virginia Public School Authority Bonds	\$ <u>3,838,751</u>
<u>Revenue Bonds:</u>	
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%	\$ 1,915,000
Authorized \$6,440,000 refunding revenue bonds, issued December 20, 2013, payable at various amounts from \$505,484 to \$507,289 annually through fiscal year 2029, interest at 2.93%	6,078,000
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%	389,943

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

Note 6—Long-term Obligations: (Continued)

Details of Long-term Indebtedness: (Continued)

	<u>Amount Outstanding</u>
<u>Primary Government--Governmental Activities: (Continued)</u>	
<u>Revenue Bonds: (Continued)</u>	
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%	\$ 183,769
Authorized \$1,355,000 2011A VRA bonds, issued May 18, 2011, payable at various amounts from \$20,000 to \$80,000 annually through fiscal year 2042, plus interest at 4.62%	1,315,000
Authorized \$700,000 lease revenue bonds, issued August 2, 2012, payable at various amounts from \$23,694 to \$28,881 annually through fiscal year 2042, plus interest at 3.625% - 5.125%	450,000
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 at 4.25%	<u>4,380,000</u>
Total Revenue Bonds	<u>\$ 14,711,712</u>
<u>USDA Loans:</u>	
Authorized \$1,345,650 USDA Rural Development bonds, issued June 30, 2009, payable at \$72,531 annually through fiscal year 2049, plus interest paid at 4.375%	\$ 1,278,794
Authorized \$371,530 USDA Rural Development bonds, issued September 17, 2010, payable in installments of \$18,975 annually through fiscal year 2051, interest at 4.00%	363,138
Authorized \$1,425,600 USDA Rural Development bonds, issued December 1, 2010, payable at yearly installments of \$70,154 annually through fiscal year 2050 and a balloon payment of \$891,143 due in FY 2051, interest at 4.5%	1,391,505
Authorized \$442,720 USDA Rural Development bonds, issued December 8, 2011, payable at \$21,787 annually through fiscal year 2051 plus interest paid at 3.75%	309,720
Authorized \$482,000 USDA Rural Development bonds, issued November 16, 2012, payable at \$33,919 annually through fiscal year 2028, interest at 3.50%	373,741
Authorized \$90,000 USDA Rural Development bonds, issued August 27, 2013, payable at \$19,935 annually through fiscal year 2019, interest at 3.50%	90,000
Authorized \$135,000 USDA Rural Development bonds, issued November 16, 2012, payable at \$29,901 annually through fiscal year 2018 plus interest paid at 3.50%	107,869
Authorized \$1,265,000 USDA Rural Development bonds, issued November 16, 2012, payable at \$89,019 annually through fiscal year 2034 plus interest paid at 3.50%	1,208,113
Authorized \$1,399,273 USDA Rural Development bonds, issued June 1, 2012, payable at \$65,053 annually through fiscal year 2053, plus interest paid at 3.375%	<u>1,376,129</u>
Total USDA Loans	<u>\$ 6,499,009</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

Note 6—Long-term Obligations: (Continued)

Details of Long-term Indebtedness: (Continued)

	<u>Amount Outstanding</u>
<u>Primary Government--Governmental Activities: (Continued)</u>	
<u>Note Payable:</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>1,325,488</u>
Total Note Payable	\$ <u>1,325,488</u>
Compensated Absences	\$ <u>366,249</u>
Premium on bonds	\$ <u>31,350</u>
Net OPEB obligation	\$ <u>93,700</u>
Total Primary Government-Governmental Activities	\$ <u><u>32,491,259</u></u>
<u>Primary Government--Business-type Activities:</u>	
<u>Solid Waste Fund:</u>	
Landfill closure and postclosure liability	\$ <u>2,095,109</u>
<u>Revenue Bonds:</u>	
Authorized \$2,695,000 lease revenue bonds, issued August 2, 2012, payable at various amounts from \$200,754 to \$205,669 annually through fiscal year 2034, plus interest at 3.124% - 4.845%	\$ <u>2,695,000</u>
Premium on bonds	\$ <u>398,208</u>
Compensated absences	\$ <u>23,128</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

Note 6—Long-term Obligations: (Continued)

Details of Long-term Indebtedness: (Continued)

	<u>Amount Outstanding</u>
<u>Primary Government--Business-type Activities: (Continued)</u>	
<u>Water and Sewer Authority:</u>	
<u>Note Payable:</u>	
\$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>140,451</u>
<u>Revenue Bonds:</u>	
\$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, variable interest of 2.0% - 5.0% payable semi-annually	\$ 2,500,000
Premiums on bonds	521,226
\$240,000 Water & Sewer Refunding Revenue Bonds Series 2012B, issued July 12, 2012, due in various semi-annual payments of principal and interest through October 1, 2037, variable interest of 3.125% -5.125% and payable semi-annually.	235,000
\$1,640,000 Water & Sewer Refunding Revenue Bonds Series 2011, issued October 15, 2011, due in various semi-annual payments of principal and interest through November 1, 2031, interest of 5.5% and payable semi-annually.	1,535,000
\$4,435,000 Water & Sewer Refunding Revenue Bonds Series 2010, issued June 16, 2010, due in various semi-annual payments of principal and interest through October 1, 2030, variable interest of 2.2% - 5.2% and payable semi-annually.	3,825,000
\$515,000 Water and Sewer Revenue Bonds Series 2004B, issued October 27, 2004, due in various semi-annual payments of principal and interest through 2034, interest at 4.65%.	<u>415,000</u>
Total revenue bonds	\$ <u>9,031,226</u>
Net OPEB obligation	\$ 13,700
Compensated absences	<u>161,384</u>
Total Primary Government--Business-type Activities	\$ <u>14,558,206</u>
Total Primary Government	\$ <u><u>47,049,465</u></u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

Note 6—Long-term Obligations: (Continued)

Details of Long-term Indebtedness: (Continued)

	<u>Amount Outstanding</u>
<u>Discretely Presented Component Unit-Greenville County School Board</u>	
Net OPEB obligation	\$ 185,800
<u>Discretely Presented Component Unit-Greenville/Emporia Department of Social Services:</u>	
Compensated absences	\$ 136,231
<u>Discretely Presented Component Unit-Industrial Development Authority of Greenville County, Virginia:</u>	
<u>Notes Payable:</u>	
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.	\$ 964,566
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%.	119,238
On April 23, 2008, the Authority entered into a note payable agreement in the amount of \$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%.	72,793
On July 19, 2010, the Authority entered in a note payable agreement in the amount of \$825,000 with the Greenville County Water and Sewer Authority. The proceeds were used to refinance the note payable agreement dated February 11, 2005 with an outstanding balance of \$820,594. Payments are due monthly in the amount of \$4,913 through July 15, 2030, interest at 3.80%.	659,495
Total long-term obligations Industrial Development Authority	<u>\$ 1,816,092</u>
Total long-term obligations, reporting entity	<u>\$ 49,187,588</u>

Note 7—Pension Plan:

A. Plan Description

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

All full-time, salaried permanent (professional) employees of public school divisions and employees of participating employers are automatically covered by VRS upon employment. Members earn one month of service credit for each month they are employed and they and their employer are paying contributions to VRS. Members are eligible to purchase prior public service, active duty military service, certain periods of leave and previously refunded VRS service as service credit in their plan.

Within the VRS Plan, the System administers three different benefit plans for local government employees - Plan 1, Plan 2, and, Hybrid. Each plan has different eligibility and benefit structures as set out below:

VRS – PLAN 1

1. **Plan Overview** - VRS Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for VRS Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.
2. **Eligible Members** - Employees are in VRS Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.
3. **Hybrid Opt-In Election** - VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.

The Hybrid Retirement Plan's effective date for eligible VRS Plan 1 members who opted in was July 1, 2014.

If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.

Members who were eligible for an optional retirement plan (ORP) and had prior service under VRS Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as VRS Plan 1 or ORP.

4. **Retirement Contributions** - Members contribute up to 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some school divisions and political subdivisions elected to phase in the required 5% member contribution; all employees will be paying the full 5% by July 1, 2016. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.

Note 7—Pension Plan: (Continued)

A. Plan Description: (Continued)

VRS – PLAN 1 (CONTINUED)

5. **Creditable Service** - Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.
6. **Vesting** - Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.

Members are always 100% vested in the contributions that they make.

7. **Calculating the Benefit** - The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement.

An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.

8. **Average Final Compensation** - A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.
9. **Service Retirement Multiplier** - The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.7%. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.7% or 1.85% as elected by the employer.
10. **Normal Retirement Age** - Age 65.
11. **Earliest Unreduced Retirement Eligibility** - Members who are not in hazardous duty positions are eligible for an unreduced retirement benefit at age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service.

Hazardous duty members are eligible for an unreduced retirement benefit at age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.

12. **Earliest Reduced Retirement Eligibility** - Members may retire with a reduced benefit as early as age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service.

Note 7—Pension Plan: (Continued)

A. Plan Description: (Continued)

VRS – PLAN 1 (CONTINUED)

13. **Cost-of-Living Adjustment (COLA) in Retirement** - The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.

14. **Eligibility** - For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, the COLA will go into effect on July 1 after one full calendar year from the retirement date.

For members who retire with a reduced benefit and who have less than 20 years of creditable service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.

15. **Exceptions to COLA Effective Dates** - The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:

- The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.
- The member retires on disability.
- The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP).
- The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.
- The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.

16. **Disability Coverage** - Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.

Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement.

VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.

Note 7—Pension Plan: (Continued)

A. Plan Description: (Continued)

VRS – PLAN 1 (CONTINUED)

17. **Purchase of Prior Service** - Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. When buying service, members must purchase their most recent period of service first. Members also may be eligible to purchase periods of leave without pay.

VRS – PLAN 2

1. **Plan Overview** - VRS Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for VRS Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.
2. **Eligible Members** - Employees are in VRS Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.
3. **Hybrid Opt-In Election** - VRS Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.

The Hybrid Retirement Plan's effective date for eligible VRS Plan 2 members who opted in was July 1, 2014.

If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.

Members who were eligible for an optional retirement plan (ORP) and have prior service under VRS Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as VRS Plan 2 or ORP.

4. **Retirement Contributions** - Same as VRS Plan 1—Refer to Section 4.
5. **Creditable Service** - Same as VRS Plan 1— Refer to Section 5.
6. **Vesting** - Same as VRS Plan 1—Refer to Section 6.
7. **Calculating the Benefit** - Same as VRS Plan 1—Refer to Section 7.
8. **Average Final Compensation** - A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.
9. **Service Retirement Multiplier** - Same as Plan1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013.

Note 7—Pension Plan: (Continued)

A. Plan Description: (Continued)

VRS – PLAN 2 (CONTINUED)

10. **Normal Retirement Age** - Normal Social Security retirement age.
11. **Earliest Unreduced Retirement Eligibility** - Members who are not in hazardous duty positions are eligible for an unreduced retirement benefit when they reach normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90.

Hazardous duty members are eligible for an unreduced retirement benefit at age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.
12. **Earliest Reduced Retirement Eligibility** - Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service.
13. **Cost-of-Living Adjustment (COLA) in Retirement** - The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.
14. **Eligibility** - Same as VRS Plan 1—Refer to Section 14.
15. **Exceptions to COLA Effective Dates** - Same as VRS Plan 1—Refer to Section 15.
16. **Disability Coverage** - Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.

Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement.

VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.
17. **Purchase of Prior Service** - Same as VRS Plan 1—Refer to Section 17.

HYBRID RETIREMENT PLAN

1. **Plan Overview** - The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after January 1, 2014 are in this plan, as well as VRS Plan 1 and VRS Plan 2 members who were eligible and opted into the plan during a special election window. (See “Eligible Members”)
 - The defined benefit is based on a member’s age, creditable service and average final compensation at retirement using a formula.

Note 7—Pension Plan: (Continued)

A. Plan Description: (Continued)

HYBRID RETIREMENT PLAN: (CONTINUED)

1. Plan Overview: (Continued)

- The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.
- In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

2. **Eligible Members** - Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:

- State employees*
- School division employees
- Political subdivision employees*
- Judges appointed or elected to an original term on or after January 1, 2014
- Members in VRS Plan 1 or VRS Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014

3. ***Non-Eligible Members** - Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:

- Members of the State Police Officers' Retirement System (SPORS)
- Members of the Virginia Law Officers' Retirement System (VaLORS)
- Political subdivision employees who are covered by enhanced benefits for hazardous duty employees

Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under VRS Plan 1 or VRS Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select VRS Plan 1 or VRS Plan 2 (as applicable) or ORP.

Note 7—Pension Plan: (Continued)

A. Plan Description: (Continued)

HYBRID RETIREMENT PLAN: (CONTINUED)

4. **Retirement Contributions** - A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.

5. **Creditable Service**

Defined Benefit Component - Under the defined benefit component of the plan, creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.

Defined Contribution Component - Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.

6. **Vesting**

Defined Benefit Component - Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of creditable service. VRS Plan 1 or VRS Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.

Defined Contribution Component - Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.

Members are always 100% vested in the contributions that they make.

Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.

- After two years, a member is 50% vested and may withdraw 50% of employer contributions.
- After three years, a member is 75% vested and may withdraw 75% of employer contributions.
- After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.

Distribution is not required by law until age 70½.

Note 7—Pension Plan: (Continued)

A. Plan Description: (Continued)

HYBRID RETIREMENT PLAN: (CONTINUED)

7. Calculating the Benefit

Defined Benefit Component - Same as VRS Plan 1—Refer to Section 7.

Defined Contribution Component - The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.

8. Average Final Compensation - Same as VRS Plan 2—Refer to Section 8. It is used in the retirement formula for the defined benefit component of the plan.

9. Service Retirement Multiplier - The retirement multiplier is 1.0%.

For members that opted into the Hybrid Retirement Plan from VRS Plan 1 or VRS Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

10. Normal Retirement Age

Defined Benefit Component - Same as VRS Plan 2—Refer to Section 10.

Defined Contribution Component - Members are eligible to receive distributions upon leaving employment, subject to restrictions.

11. Earliest Unreduced Retirement Eligibility

Defined Benefit Component - Members are eligible for an unreduced retirement benefit when they reach normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90.

Defined Contribution Component - Members are eligible to receive distributions upon leaving employment, subject to restrictions.

12. Earliest Reduced Retirement Eligibility

Defined Benefit Component - Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service.

Defined Contribution Component - Members are eligible to receive distributions upon leaving employment, subject to restrictions.

13. Cost-of-Living Adjustment (COLA) in Retirement

Defined Benefit Component - Same as VRS Plan 2—Refer to Section 13.

Defined Contribution Component - Not Applicable.

Note 7—Pension Plan: (Continued)

A. Plan Description: (Continued)

HYBRID RETIREMENT PLAN: (CONTINUED)

14. **Eligibility** - Same as VRS Plan 1 and VRS Plan 2—Refer to Section 14.
15. **Exceptions to COLA Effective Dates** - Same as VRS Plan 1 and VRS Plan 2—Refer to Section 15.
16. **Disability Coverage** - Eligible political subdivision and school division members (including VRS Plan 1 and VRS Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.

State employees (including VRS Plan 1 and VRS Plan 2 opt-ins) participating in the Hybrid Retirement Plan are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement.

Hybrid members (including VRS Plan 1 and VRS Plan 2 opt-ins) covered under VSDP or VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.

17. **Purchase of Prior Service**

Defined Benefit Component - Same as VRS Plan 1 and VRS Plan 2—Refer to Section 17.

Defined Contribution Component - Not Applicable.

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of the most recent report may be obtained from the VRS website at <http://www.varetire.org/Pdf/Publications/2013-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their compensation toward their retirement. All or part of the 5.00% member contribution may be assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5% member contribution. This could be phased in over a period up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. In addition, the County and School Board are 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 and School Board’s contribution rates for the fiscal year ended 2014 were 10.45% and 9.85% (nonprofessional employees) of annual covered payroll, respectively.

The Department of Social Services contribution rate for the fiscal year ended 2014 was 14.86% of annual covered payroll.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

Note 7—Pension Plan: (Continued)

B. Funding Policy: (Continued)

The School Board’s contributions for professional employees were \$1,380,711, \$1,401,165 and \$743,515, to the teacher cost-sharing pool for the fiscal years ended June 30, 2014, 2013, and 2012, respectively and these contributions represented 11.66%, 11.66%, and 6.33% for 2014, 2013, and 2012, respectively, of current covered payroll.

C. Annual Pension Cost

For fiscal year 2014, County’s annual pension cost of \$438,232 was equal to the County’s required and actual contributions.

Three-Year Trend Information for County - Primary Government

Fiscal Year Ending	Annual Pension Cost (APC) ⁽¹⁾	Percentage of APC Contributed	Net Pension Obligation
6/30/12	\$ 261,068	100%	\$ -
6/30/13	408,560	100%	-
6/30/14	438,232	100%	-

(1) Employer Portion Only

For fiscal year 2014, School Board’s annual pension cost for nonprofessional employees of \$72,051 was equal to the School Board’s required and actual contributions.

Three-Year Trend Information for School Board (Non-professional)

Fiscal Year Ending	Annual Pension Cost (APC) ⁽¹⁾	Percentage of APC Contributed	Net Pension Obligation
6/30/12	\$ 55,747	100%	\$ -
6/30/13	79,920	100%	-
6/30/14	72,051	100%	-

(1) Employer Portion Only

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

Note 7—Pension Plan: (Continued)

C. Annual Pension Cost: (Continued)

For fiscal year 2014, the Social Services Department’s annual pension cost of \$149,358 was equal to the Department’s required and actual contributions.

Three-Year Trend Information for Greenville-Emporia Department of Social Services

Fiscal Year Ending	Annual Pension Cost (APC) ⁽¹⁾	Percentage of APC Contributed	Net Pension Obligation
6/30/12	\$ 84,452	100%	\$ -
6/30/13	144,745	100%	-
6/30/14	149,358	100%	-

(1) Employer Portion Only

The FY 2014 required contribution was determined as part of the June 30, 2011 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2011 included (a) an investment rate of return (net of administrative expenses) of 7.00%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees, 3.75% to 6.20% per year for teachers, and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year for Plan 1 employees and 2.25% for Plan 2 employees. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the County and 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. The County’s and School Board’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2011 for the Unfunded Actuarial Accrued Liability (UAAL) was 30 years.

D. Funding Status and Progress

As of June 30, 2013, the most recent actuarial valuation date, the County’s plan was 84.41% funded. The actuarial accrued liability for benefits was \$18,041,016, and the actuarial value of assets was \$15,227,737, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,813,279. The covered payroll (annual payroll of active employees covered by the plan) was \$4,005,317 and ratio of the UAAL to the covered payroll was 70.24%.

As of June 30, 2013, the most recent actuarial valuation date, the School Board’s plan (nonprofessional employees) was 90.79% funded. The actuarial accrued liability for benefits was \$5,115,660, and the actuarial value of assets was \$4,644,694, resulting in an unfunded actuarial accrued liability (UAAL) of \$470,966. The covered payroll (annual payroll of active employees covered by the plan) was \$803,564 and ratio of the UAAL to the covered payroll was 58.61%.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

Note 7—Pension Plan: (Continued)

D. Funding Status and Progress: (Continued)

As of June 30, 2013, the most recent actuarial valuation date, the Social Services Department’s plan was 71.04% funded. The actuarial accrued liability for benefits was \$6,527,885, and the actuarial value of assets was \$4,637,171, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,890,714. The covered payroll (annual payroll of active employees covered by the plan) was \$1,009,932 and ratio of the UAAL to the covered payroll was 187.21%.

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

Note 8—Deferred/Unavailable/Unearned Revenue:

The following is a summary of unearned revenue for the year ended June 30, 2014.

	<u>Government- wide Statements</u>	<u>Balance Sheet</u>
	<u>Governmental Activities</u>	<u>Governmental Funds</u>
Primary Government:		
General Fund:		
Deferred/Unavailable property tax revenue:		
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 364,815
2014 assessments due in December 2014	8,289,342	8,289,342
Prepaid property taxes due in December 2014, but paid in advance by the taxpayers	<u>19,960</u>	<u>19,960</u>
Total unavailable revenue	<u>\$ 8,309,302</u>	<u>\$ 8,674,117</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

Note 9—Landfill Closure and Postclosure Care Cost:

State and federal laws and regulations require the County to place a final cover on its Greensville 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 \$2,095,109 reported as landfill closure and postclosure care liability at June 30, 2014 represents the cumulative amount reported based on the use of 81 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$535,539 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, \$2,591,943 has been designated in the Solid Waste Fund for payment of future closure and postclosure care costs.

Note 10—Risk Management:

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

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

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

Note 11—Litigation:

At June 30, 2014, 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 12—City/County School Cost Agreement:

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 June 30, 2018.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

Note 13—Surety Bonds:

	<u>Amount</u>
Fidelity and Deposit Company of Maryland - Surety	
Robert C. Wrenn, Clerk of the Circuit Court	\$ 25,000
Pamela Lifsey, 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:	
Dr. Angela B. Wilson, Superintendent of Schools	10,000
Rick Pirkey, Deputy Clerk of the School Board	10,000
Marva J. Dunn, Clerk of the School Board	10,000
Romine T. Braswell, Bookkeeper	10,000
LaTina Stephens, 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.

Note 14—Other Postemployment Benefits/Health Insurance:

County:

Background

Beginning in fiscal year 2009, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 45 for other postemployment 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 postemployment 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.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

Note 14—Other Postemployment Benefits/Health Insurance: (Continued)

County: (Continued)

C. Annual OPEB Cost and Net OPEB Obligation

The annual cost of other postemployment 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 \$22,000 for fiscal year 2014. The County paid \$9,700 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	\$ 22,100
Interest on net OPEB obligation	3,300
Adjustment to annual required contribution	(3,400)
Annual OPEB cost (expense)	<u>\$ 22,000</u>
Estimated contributions made	<u>(9,700)</u>
Increase in net OPEB obligation	<u>\$ 12,300</u>
Net OPEB obligation - beginning of year	<u>\$ 81,400</u>
Net OPEB obligation - end of year	<u><u>\$ 93,700</u></u>

For 2014, the County's cash payment of \$9,700 was \$12,300 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 2014 and the two preceding years 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, 2012	\$ 23,600	38.56%	\$ 64,700
June 30, 2013	21,000	20.48%	81,400
June 30, 2014	22,000	44.09%	93,700

D. Funded Status and Funding Progress

The funded status of the plan as of July 1, 2012, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$ 178,300
Actuarial value of plan assets	\$ -
Unfunded actuarial accrued liability	\$ 178,300
Funded ratio (actuarial value of plan assets / AAL)	0%
Covered payroll (active plan members)	\$ 5,418,978
UAAL as a percentage of covered payroll	3.29%

Note 14—Other Postemployment Benefits/Health Insurance: (Continued)

County: (Continued)

D. Funded Status and Funding Progress (Continued)

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.

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.

E. Actuarial Methods and Assumptions

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	9.00%
Payroll growth	2.50%

The 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, 2012 was thirty years.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

Note 14—Other Postemployment Benefits/Health Insurance: (Continued)

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.

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	\$ 79,400
Interest on net OPEB obligation	6,400
Adjustment to annual required contribution	(6,600)
Annual OPEB cost (expense)	<u>\$ 79,200</u>
Estimated contributions made	(52,400)
Increase in net OPEB obligation	<u>\$ 26,800</u>
Net OPEB obligation - beginning of year	<u>\$ 159,000</u>
Net OPEB obligation - end of year	<u><u>\$ 185,800</u></u>

For 2014, the School Board’s cash payment of \$52,400 was \$26,800 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 2014 and the two preceding years 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, 2012	\$ 84,600	94.09%	\$ 126,400
June 30, 2013	76,900	57.61%	159,000
June 30, 2014	79,200	66.16%	185,800

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

Note 14—Other Postemployment Benefits/Health Insurance: (Continued)

School Board: (Continued)

D. Funded Status and Funding Progress

The funded status of the plan as of July 1, 2012 is as follows:

Actuarial accrued liability (AAL)	\$	842,900
Actuarial value of plan assets		-
Unfunded actuarial accrued liability	\$	842,900
Funded ratio (actuarial value of plan assets / AAL)		-
Covered payroll (active plan members)	\$	10,584,982
UAAL as a percentage of covered payroll		7.96%

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.

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.

E. Actuarial Methods and Assumptions

As of January 1, 2012 the most recent actuarial valuation date, 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 9% 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 July 1, 2012 was thirty years.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

Note 14—Other Postemployment Benefits/Health Insurance: (Continued)

School Board: (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	9.00%
Payroll growth	2.50%

Note 15—Other Postemployment Benefits-Health Insurance Credit:

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.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

Note 15—Other Postemployment Benefits-Health Insurance Credit: (Continued)

A. Plan Description (Continued)

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 7.

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 2014 was .03% of annual covered payroll.

C. Annual OPEB Cost and Net OPEB Obligation

The annual cost of OPEB under Governmental Accounting Standards Board (GASB) 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions, is based on the annual required contribution (ARC). The 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 2014, the County's contribution of \$1,283 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 2014 and the preceding two years 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, 2012	\$ 3,080	100%	\$ -
June 30, 2013	775	100%	-
June 30, 2014	1,283	100%	-

D. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2013, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$ 76,431
Actuarial value of plan assets	65,771
Unfunded actuarial accrued liability	10,660
Funded ratio (actuarial value of plan assets / AAL)	86.05%
Covered payroll (active plan members)	1,761,217
UAAL as a percentage of covered payroll	0.61%

Note 15—Other Postemployment Benefits-Health Insurance Credit: (Continued)

D. Funded Status and Funding Progress (Continued)

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

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

E. Actuarial Methods and Assumptions

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

The entry age normal cost method was used to determine the plan's funding liabilities and costs. The actuarial assumptions included a 7.0% investment rate of return, compounded annually, including an inflation component of 2.5%, and a payroll growth rate of 3%. The UAAL is being amortized as a level percentage of payroll on an open basis. The remaining open amortization period at June 30, 2013 was 30 years.

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

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.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2014 (Continued)

Note 15—Other Postemployment Benefits-Health Insurance Credit: (Continued)

F. Professional Employees - Discretely Presented Component Unit School Board (Continued)

The School Board is required to contribute, at an actuarially determined rate, the entire amount necessary to fund participation in the program. The current rate is 1.11% of annual covered payroll. The School Board's contribution to VRS for the years ended June 30, 2014, 2013 and 2012 was \$131,794, \$123,074, and \$82,154, and equaled the required contributions for each year.

Note 16—Commitments and Contingencies:

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

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

Note 17—GASB Upcoming Pronouncements

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

Note 18—Restatement of Beginning Net Position

Beginning net position of the Greenville Water and Sewer Authority was restated as follows:

Beginning net position, as originally reported	\$	22,535,879
Write off of bond issue costs		<u>(150,462)</u>
Beginning net position, as restated	\$	<u><u>22,385,417</u></u>

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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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 7,209,333	\$ 7,209,333	\$ 7,108,436	\$ (100,897)
Other local taxes	1,715,653	1,715,653	2,004,316	288,663
Permits, privilege fees, and regulatory licenses	48,000	48,000	58,037	10,037
Fines and forfeitures	1,406,000	1,406,000	1,530,075	124,075
Revenue from the use of money and property	280,000	280,000	282,339	2,339
Charges for services	387,460	391,819	409,003	17,184
Miscellaneous	233,000	252,154	197,154	(55,000)
Recovered costs	1,046,819	1,047,652	1,255,018	207,366
Intergovernmental:				
Commonwealth	2,955,510	4,298,290	4,654,953	356,663
Federal	-	239,719	271,751	32,032
Total revenues	\$ 15,281,775	\$ 16,888,620	\$ 17,771,082	\$ 882,462
EXPENDITURES				
Current:				
General government administration	\$ 1,662,540	\$ 1,708,713	\$ 1,692,499	\$ 16,214
Judicial administration	1,222,870	1,293,148	1,244,857	48,291
Public safety	3,755,659	4,495,899	4,211,852	284,047
Public works	1,558,731	1,440,783	1,429,729	11,054
Health and welfare	495,160	498,006	644,728	(146,722)
Education	1,840,972	1,880,872	1,560,079	320,793
Parks, recreation, and cultural	323,773	341,097	340,361	736
Community development	977,486	2,404,461	2,261,933	142,528
Nondepartmental	-	-	8,532	(8,532)
Debt service:				
Principal retirement	2,614,209	2,614,209	2,614,209	-
Interest and other fiscal charges	565,375	753,374	1,403,828	(650,454)
Total expenditures	\$ 15,016,775	\$ 17,430,562	\$ 17,412,607	\$ 17,955
Excess (deficiency) of revenues over (under) expenditures	\$ 265,000	\$ (541,942)	\$ 358,475	\$ 900,417
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 30,000	\$ 30,000
Transfers (out)	(365,000)	(190,000)	(190,000)	-
Payment to refunding bond escrow agent	-	-	(6,153,000)	(6,153,000)
Issuance of bonds	-	-	6,530,000	6,530,000
Total other financing sources (uses)	\$ (365,000)	\$ (190,000)	\$ 217,000	\$ 407,000
Net change in fund balances	\$ (100,000)	\$ (731,942)	\$ 575,475	\$ 1,307,417
Fund balances - beginning	100,000	731,942	3,424,919	2,692,977
Fund balances - ending	\$ -	\$ -	\$ 4,000,394	\$ 4,000,394

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

PRIMARY GOVERNMENT:

County Retirement Plan:

Actuarial Valuation as of	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2011	\$ 14,670,805	\$ 17,387,376	\$ 2,716,571	84.38%	\$ 3,943,486	68.89%
6/30/2012	14,634,789	18,113,153	3,478,364	80.80%	3,810,309	91.29%
6/30/2013	15,227,737	18,041,016	2,813,279	84.41%	4,005,317	70.24%

DISCRETELY PRESENTED COMPONENT UNITS:

School Board Non-Professionals Retirement Plan:

Actuarial Valuation as of	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2011	\$ 4,760,347	\$ 5,561,225	\$ 800,878	85.60%	\$ 1,009,234	79.36%
6/30/2012	4,658,695	5,333,521	674,826	87.35%	825,043	81.79%
6/30/2013	4,644,694	5,115,660	470,966	90.79%	803,564	58.61%

Greensville/Emporia Department of Social Services Retirement Plan:

Actuarial Valuation as of	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2011	\$ 4,902,118	\$ 6,537,202	\$ 1,635,084	74.99%	\$ 953,630	171.46%
6/30/2012	4,735,617	6,687,495	1,951,878	70.81%	919,071	212.38%
6/30/2013	4,637,171	6,527,885	1,890,714	71.04%	1,009,932	187.21%

Schedule of OPEB Funding Progress
 Other Postemployment Benefits - Health Insurance
 Last Three Fiscal Years

OTHER POSTEMPLOYMENT BENEFITS:

PRIMARY GOVERNMENT:

Actuarial Valuation as of	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1/1/2009 \$	- \$	201,200 \$	201,200	0.00%	3,931,682	5.12%
7/1/2010	-	215,500	215,500	0.00%	5,633,739	3.83%
7/1/2012	-	195,000	195,000	0.00%	5,418,978	3.60%

DISCRETELY PRESENTED COMPONENT UNIT:

School Board :

Actuarial Valuation as of	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1/1/2009 \$	- \$	901,600 \$	901,600	0.00%	11,020,927	8.18%
7/1/2010	-	1,075,800	1,075,800	0.00%	11,004,477	9.78%
7/1/2012	-	874,300	874,300	0.00%	10,584,982	8.26%

VIRGINIA RETIREMENT SYSTEM - HEALTH INSURANCE CREDIT:

PRIMARY GOVERNMENT:

Actuarial Valuation as of	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2011 \$	63,686 \$	72,938 \$	9,252	87.32%	1,720,217	0.54%
6/30/2012	61,953	79,751	17,798	77.68%	1,670,883	1.07%
6/30/2013	65,771	76,431	10,660	86.05%	1,761,217	0.61%

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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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 256	\$ 256
Intergovernmental:				
Commonwealth	554,000	254,000	454,383	200,383
Federal	-	75,000	156,071	81,071
Total revenues	\$ 554,000	\$ 329,000	\$ 610,710	\$ 281,710
EXPENDITURES				
Capital projects	\$ 744,000	\$ 1,408,062	\$ 925,181	\$ 482,881
Total expenditures	\$ 744,000	\$ 1,408,062	\$ 925,181	\$ 482,881
Excess (deficiency) of revenues over (under) expenditures	\$ (190,000)	\$ (1,079,062)	\$ (314,471)	\$ 764,591
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 190,000	\$ 190,000	\$ 190,000	\$ -
Transfers out	-	-	(30,000)	(30,000)
Issuance of bonds	-	-	668,938	668,938
Total other financing sources (uses)	\$ 190,000	\$ 190,000	\$ 828,938	\$ 638,938
Net change in fund balances	\$ -	\$ (889,062)	\$ 514,467	\$ 1,403,529
Fund balances - beginning	-	889,062	(1,039,687)	(1,928,749)
Fund balances - ending	\$ -	\$ -	\$ (525,220)	\$ (525,220)

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Supporting Schedules

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Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2014

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 3,909,829	\$ 3,909,829	\$ 3,803,429	\$ (106,400)
Real and personal public service corporation taxes	291,000	291,000	329,444	38,444
Personal property taxes	1,545,504	1,545,504	1,731,147	185,643
Mobile home taxes	25,000	25,000	31,015	6,015
Machinery and tools taxes	1,225,000	1,225,000	979,382	(245,618)
Penalties	128,000	128,000	143,219	15,219
Interest	50,000	50,000	57,145	7,145
Administrative fee	35,000	35,000	33,655	(1,345)
Total general property taxes	<u>\$ 7,209,333</u>	<u>\$ 7,209,333</u>	<u>\$ 7,108,436</u>	<u>\$ (100,897)</u>
Other local taxes:				
Local sales and use taxes	\$ 528,653	\$ 528,653	\$ 689,830	\$ 161,177
Consumers' utility taxes	295,000	295,000	297,881	2,881
Business license taxes	370,000	370,000	445,077	75,077
Motor vehicle licenses	200,000	200,000	195,098	(4,902)
Taxes on recordation and wills	32,000	32,000	38,362	6,362
E-911 taxes	-	-	36,142	36,142
Utility consumption taxes	60,000	60,000	46,318	(13,682)
Restaurant food taxes	175,000	175,000	190,474	15,474
Transient lodging tax	55,000	55,000	65,134	10,134
Total other local taxes	<u>\$ 1,715,653</u>	<u>\$ 1,715,653</u>	<u>\$ 2,004,316</u>	<u>\$ 288,663</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 8,000	\$ 8,000	\$ 5,521	\$ (2,479)
Building permits	30,000	30,000	20,611	(9,389)
Transfer fees	-	-	321	321
Permits and other licenses	10,000	10,000	31,584	21,584
Total permits, privilege fees, and regulatory licenses	<u>\$ 48,000</u>	<u>\$ 48,000</u>	<u>\$ 58,037</u>	<u>\$ 10,037</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 1,400,000	\$ 1,400,000	\$ 1,523,184	\$ 123,184
Collections interest	6,000	6,000	6,891	891
Total fines and forfeitures	<u>\$ 1,406,000</u>	<u>\$ 1,406,000</u>	<u>\$ 1,530,075</u>	<u>\$ 124,075</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 10,000	\$ 10,000	\$ 7,512	\$ (2,488)
Revenue from use of property	270,000	270,000	274,827	4,827
Total revenue from use of money and property	<u>\$ 280,000</u>	<u>\$ 280,000</u>	<u>\$ 282,339</u>	<u>\$ 2,339</u>

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2014 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Charges for services:				
Data processing reimbursement	\$ 25,000	\$ 25,000	\$ 26,570	\$ 1,570
Landfill administration	75,000	75,000	75,000	-
Courthouse maintenance fees	40,000	40,000	35,108	(4,892)
Courthouse security fees	200,000	200,000	178,950	(21,050)
Regional jail fiscal agent fees	26,460	26,460	26,460	-
Sheriff's fees	1,500	1,500	1,002	(498)
Excess clerk's fees	10,000	10,000	-	(10,000)
DSS cost allocation	-	-	44,997	44,997
Law library fees	-	991	1,130	139
Charges for Commonwealth's Attorney	2,500	2,500	2,128	(372)
Jail admission	2,000	2,000	2,426	426
Other charges	5,000	8,368	15,232	6,864
Total charges for services	\$ 387,460	\$ 391,819	\$ 409,003	\$ 17,184
Miscellaneous revenue:				
Miscellaneous	\$ 175,000	\$ 175,000	\$ 121,509	\$ (53,491)
CSA reimbursement	58,000	58,000	58,234	234
Probation fees	-	19,154	17,411	(1,743)
Total miscellaneous revenue	\$ 233,000	\$ 252,154	\$ 197,154	\$ (55,000)
Recovered costs:				
Reimbursement regional jail authority	\$ 3,000	\$ 3,000	\$ 3,000	-
School resource officer	93,797	94,630	123,714	29,084
Shared expenses City of Emporia	874,922	874,922	1,017,621	142,699
Circuit court salaries	35,000	35,000	36,088	1,088
Collection disposal fees - Schools	31,000	31,000	34,287	3,287
Collection disposal fees - Department of Social Services	2,100	2,100	2,286	186
Insurance recoveries	-	-	8,586	8,586
Other recovered costs	7,000	7,000	29,436	22,436
Total recovered costs	\$ 1,046,819	\$ 1,047,652	\$ 1,255,018	\$ 207,366
Total revenue from local sources	\$ 12,326,265	\$ 12,350,611	\$ 12,844,378	\$ 493,767
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Payment in lieu of taxes	\$ 15,000	\$ 15,000	\$ 16,079	\$ 1,079

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2014 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Intergovernmental: (Continued)				
Noncategorical aid:				
Mobile home titling tax	\$ 15,000	\$ 15,000	\$ 11,526	\$ (3,474)
Motor vehicle rental tax	2,000	2,000	-	(2,000)
Railroad rolling stock taxes	45,000	45,000	52,852	7,852
State recordation tax	12,500	12,500	10,385	(2,115)
Communication sales and use taxes	180,000	180,000	178,279	(1,721)
Personal property tax relief funds	1,065,419	1,065,419	1,065,419	-
Total noncategorical aid	<u>\$ 1,319,919</u>	<u>\$ 1,319,919</u>	<u>\$ 1,318,461</u>	<u>\$ (1,458)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 428,301	\$ 428,301	\$ 423,809	\$ (4,492)
Sheriff	741,823	741,823	742,391	568
Commissioner of revenue	94,061	94,061	87,824	(6,237)
Treasurer	71,945	71,945	71,749	(196)
Registrar/electoral board	35,000	35,000	36,641	1,641
Clerk of the Circuit Court	224,361	248,836	233,754	(15,082)
Total shared expenses	<u>\$ 1,595,491</u>	<u>\$ 1,619,966</u>	<u>\$ 1,596,168</u>	<u>\$ (23,798)</u>
Other categorical aid:				
Animal sterilization	\$ -	\$ 199	\$ 199	\$ -
Southside Pretrial Services & Community Corrections	-	326,481	326,481	-
Jury reimbursement	10,000	10,000	7,920	(2,080)
Tobacco funds	-	768,058	856,133	88,075
Victim witness	2,000	2,000	832	(1,168)
Challenge grant	5,000	5,000	5,000	-
Brownfields	-	35,000	35,000	-
DMV vehicle registration	8,100	8,100	8,069	(31)
Transportation	-	56,325	340,158	283,833
Fire programs funds	-	62,441	67,952	5,511
Disaster aid	-	17,970	25,089	7,119
Records preservation grant	-	24,084	24,084	-
Asset forfeiture funds	-	27,747	27,328	(419)
Total other categorical aid	<u>\$ 25,100</u>	<u>\$ 1,343,405</u>	<u>\$ 1,724,245</u>	<u>\$ 380,840</u>
Total categorical aid	<u>\$ 1,620,591</u>	<u>\$ 2,963,371</u>	<u>\$ 3,320,413</u>	<u>\$ 357,042</u>
Total revenue from the Commonwealth	<u>\$ 2,955,510</u>	<u>\$ 4,298,290</u>	<u>\$ 4,654,953</u>	<u>\$ 356,663</u>

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2014 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Homeland security grant	\$ -	\$ -	\$ 7,500	\$ 7,500
Bulletproof vest program	-	2,738	2,738	-
Community development block grant	-	214,133	241,074	26,941
State and community highway safety grants	-	22,848	20,439	(2,409)
Total categorical aid	<u>\$ -</u>	<u>\$ 239,719</u>	<u>\$ 271,751</u>	<u>\$ 32,032</u>
Total revenue from the federal government	<u>\$ -</u>	<u>\$ 239,719</u>	<u>\$ 271,751</u>	<u>\$ 32,032</u>
Total General Fund	<u>\$ 15,281,775</u>	<u>\$ 16,888,620</u>	<u>\$ 17,771,082</u>	<u>\$ 882,462</u>
Capital Projects Fund:				
Revenue from use of money and property:				
Revenue from use of money	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 256</u>	<u>\$ 256</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Tobacco commission grants	\$ 300,000	\$ -	\$ 454,383	\$ 454,383
Total categorical aid	<u>\$ 554,000</u>	<u>\$ 254,000</u>	<u>\$ 454,383</u>	<u>\$ 200,383</u>
Total revenue from the Commonwealth	<u>\$ 554,000</u>	<u>\$ 254,000</u>	<u>\$ 454,383</u>	<u>\$ 200,383</u>
Revenue from the federal government:				
Categorical aid:				
Dept education	\$ -	\$ -	\$ 25,771	\$ 25,771
USDA	-	75,000	45,821	(29,179)
Community development block grant	-	-	84,479	84,479
Total categorical aid	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ 156,071</u>	<u>\$ 81,071</u>
Total revenue from the federal government	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ 156,071</u>	<u>\$ 81,071</u>
Total Capital Projects Fund	<u>\$ 554,000</u>	<u>\$ 329,000</u>	<u>\$ 610,710</u>	<u>\$ 281,710</u>
Total Primary Government	<u>\$ 15,835,775</u>	<u>\$ 17,217,620</u>	<u>\$ 18,381,792</u>	<u>\$ 1,164,172</u>

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 97,610	\$ 92,104	\$ 92,098	\$ 6
General and financial administration:				
County administrator	\$ 443,152	\$ 433,778	\$ 431,505	\$ 2,273
Information technology	104,109	115,225	115,216	9
Commissioner of revenue	270,470	270,945	258,293	12,652
Reassessment	12,800	39,283	39,281	2
Treasurer	256,911	284,073	283,740	333
Accounting	281,790	288,857	288,453	404
County attorney	85,300	81,668	81,666	2
Total general and financial administration	<u>\$ 1,454,532</u>	<u>\$ 1,513,829</u>	<u>\$ 1,498,154</u>	<u>\$ 15,675</u>
Board of elections:				
Electoral board and officials	\$ 110,398	\$ 102,780	\$ 102,247	\$ 533
Total general government administration	<u>\$ 1,662,540</u>	<u>\$ 1,708,713</u>	<u>\$ 1,692,499</u>	<u>\$ 16,214</u>
Judicial administration:				
Courts:				
Circuit court	\$ 80,203	\$ 78,024	\$ 73,885	\$ 4,139
General district court	26,750	23,250	23,172	78
Courthouse security	202,132	224,547	189,602	34,945
Law library	-	991	991	-
Special magistrates	1,300	1,799	1,798	1
Clerk of the circuit court	293,975	348,171	347,763	408
Total courts	<u>\$ 604,360</u>	<u>\$ 676,782</u>	<u>\$ 637,211</u>	<u>\$ 39,571</u>
Commonwealth's attorney:				
Commonwealth's attorney	\$ 618,510	\$ 616,366	\$ 607,646	\$ 8,720
Total judicial administration	<u>\$ 1,222,870</u>	<u>\$ 1,293,148</u>	<u>\$ 1,244,857</u>	<u>\$ 48,291</u>
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,973,456	\$ 1,945,447	\$ 1,951,107	\$ (5,660)
School resource officer	125,062	143,195	142,229	966
Asset Forfeiture	-	178,512	11,716	166,796
Selective enforcement	346,660	335,324	335,321	3
Total law enforcement and traffic control	<u>\$ 2,445,178</u>	<u>\$ 2,602,478</u>	<u>\$ 2,440,373</u>	<u>\$ 162,105</u>
Fire and rescue services:				
Fire and rescue	\$ 150,509	\$ 254,020	\$ 187,561	\$ 66,459
Contributions to squads	9,533	70,623	70,623	-
Total fire and rescue services	<u>\$ 160,042</u>	<u>\$ 324,643</u>	<u>\$ 258,184</u>	<u>\$ 66,459</u>

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2014 (Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public safety: (Continued)				
Correction and detention:				
Jail	\$ 859,926	\$ 859,926	\$ 870,281	\$ (10,355)
Juvenile probation	32,750	35,032	35,032	-
Community corrections grant	-	396,180	333,406	62,774
Total correction and detention	<u>\$ 892,676</u>	<u>\$ 1,291,138</u>	<u>\$ 1,238,719</u>	<u>\$ 52,419</u>
Inspections:				
Building	<u>\$ 133,318</u>	<u>\$ 133,673</u>	<u>\$ 133,251</u>	<u>\$ 422</u>
Other protection:				
Animal control	\$ 95,637	\$ 94,384	\$ 91,966	\$ 2,418
E-911	28,808	49,583	49,359	224
Total other protection	<u>\$ 124,445</u>	<u>\$ 143,967</u>	<u>\$ 141,325</u>	<u>\$ 2,642</u>
Total public safety	<u>\$ 3,755,659</u>	<u>\$ 4,495,899</u>	<u>\$ 4,211,852</u>	<u>\$ 284,047</u>
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Highways, streets, bridges and sidewalks	<u>\$ 27,820</u>	<u>\$ 24,161</u>	<u>\$ 24,160</u>	<u>\$ 1</u>
Sanitation and waste removal:				
Refuse collection and disposal	\$ 272,500	\$ 167,908	\$ 167,907	\$ 1
Dumpster site maintenance	313,506	315,179	314,254	925
Total sanitation and waste removal	<u>\$ 586,006</u>	<u>\$ 483,087</u>	<u>\$ 482,161</u>	<u>\$ 926</u>
Maintenance of general buildings and grounds:				
General properties	<u>\$ 944,905</u>	<u>\$ 933,535</u>	<u>\$ 923,408</u>	<u>\$ 10,127</u>
Total public works	<u>\$ 1,558,731</u>	<u>\$ 1,440,783</u>	<u>\$ 1,429,729</u>	<u>\$ 11,054</u>
Health and welfare:				
Health:				
Supplement of local health department	<u>\$ 97,410</u>	<u>\$ 100,256</u>	<u>\$ 178,957</u>	<u>\$ (78,701)</u>
Mental health and mental retardation:				
Chapter X board	<u>\$ 49,459</u>	<u>\$ 49,459</u>	<u>\$ 49,459</u>	<u>\$ -</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2014 (Continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Health and welfare: (Continued)				
Welfare:				
Welfare administration	\$ 212,755	\$ 212,755	\$ 279,291	\$ (66,536)
Comprehensive services	135,536	135,536	137,021	(1,485)
Total welfare	<u>\$ 348,291</u>	<u>\$ 348,291</u>	<u>\$ 416,312</u>	<u>\$ (68,021)</u>
Total health and welfare	<u>\$ 495,160</u>	<u>\$ 498,006</u>	<u>\$ 644,728</u>	<u>\$ (146,722)</u>
Education:				
Other instructional costs:				
Contributions to community colleges	\$ 7,661	\$ 47,561	\$ 47,561	\$ -
Contribution to County school board	1,726,685	1,726,685	1,405,892	320,793
Other contributions	14,964	14,964	14,964	-
Workforce development center	71,662	71,662	71,662	-
Head Start program	20,000	20,000	20,000	-
Total education	<u>\$ 1,840,972</u>	<u>\$ 1,880,872</u>	<u>\$ 1,560,079</u>	<u>\$ 320,793</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Recreational facilities	\$ 135,299	\$ 145,899	\$ 145,899	\$ -
Golden leaf commons	59,122	64,115	63,647	468
Total parks and recreation	<u>\$ 194,421</u>	<u>\$ 210,014</u>	<u>\$ 209,546</u>	<u>\$ 468</u>
Cultural enrichment:				
Meherrin River Arts Council	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>
Library:				
Contribution to regional library	<u>\$ 119,352</u>	<u>\$ 121,083</u>	<u>\$ 120,815</u>	<u>\$ 268</u>
Total parks, recreation, and cultural	<u>\$ 323,773</u>	<u>\$ 341,097</u>	<u>\$ 340,361</u>	<u>\$ 736</u>
Community development:				
Planning and community development:				
Planning	\$ 154,960	\$ 181,006	\$ 186,488	\$ (5,482)
Housing - local contributions	20,126	20,126	17,322	2,804
Industrial Development Authority	373,596	373,596	-	373,596
Megasite	-	163,466	165,968	(2,502)
Economic development	288,737	603,739	693,509	(89,770)
MAMAC	-	911,803	1,052,287	(140,484)
Geographic information systems	77,204	87,362	86,861	501
Total planning and community development	<u>\$ 914,623</u>	<u>\$ 2,341,098</u>	<u>\$ 2,202,435</u>	<u>\$ 138,663</u>
Environmental management:				
Other environmental management	<u>\$ 16,833</u>	<u>\$ 16,833</u>	<u>\$ 16,833</u>	<u>\$ -</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2014 (Continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Community development: (Continued)				
Cooperative extension program:				
Extension office	\$ 46,030	\$ 46,530	\$ 42,665	\$ 3,865
Total community development	<u>\$ 977,486</u>	<u>\$ 2,404,461</u>	<u>\$ 2,261,933</u>	<u>\$ 142,528</u>
Nondepartmental:				
Remittance of sales tax revenue to towns	\$ -	\$ -	\$ 8,532	\$ (8,532)
Debt service:				
Principal retirement	\$ 2,614,209	\$ 2,614,209	\$ 2,614,209	\$ -
Interest and other fiscal charges	565,375	753,374	1,403,828	(650,454)
Total debt service	<u>\$ 3,179,584</u>	<u>\$ 3,367,583</u>	<u>\$ 4,018,037</u>	<u>\$ (650,454)</u>
Total General Fund	<u><u>\$ 15,016,775</u></u>	<u><u>\$ 17,430,562</u></u>	<u><u>\$ 17,412,607</u></u>	<u><u>\$ 17,955</u></u>
Capital Projects Fund:				
Capital projects expenditures:				
Airport improvements	\$ -	\$ 33,400	\$ 33,200	\$ 200
Carpeting	25,000	25,000	20,772	4,228
301 N Sidewalk	-	-	93	(93)
Southside Virginia Workforce Center	-	13,456	-	13,456
Washington Park	-	61,544	45,821	15,723
Other	50,000	50,000	26,407	23,593
SVEC	-	596,460	225,070	371,390
Staffed waste collection site	-	517,202	462,818	54,384
Megasite	669,000	111,000	111,000	-
Total capital projects fund	<u>\$ 744,000</u>	<u>\$ 1,408,062</u>	<u>\$ 925,181</u>	<u>\$ 482,881</u>
Total Primary Government	<u><u>\$ 15,760,775</u></u>	<u><u>\$ 18,838,624</u></u>	<u><u>\$ 18,337,788</u></u>	<u><u>\$ 500,836</u></u>

STATISTICAL INFORMATION

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COUNTY OF GREENSVILLE, VIRGINIA

Government-Wide Expenses by Function
Last Ten Fiscal Years

Fiscal Year	General										Total
	Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt		
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	
2010-11	2,056,841	885,693	3,323,733	1,441,333	370,846	3,527,147	246,825	1,684,446	1,173,277	14,710,141	
2011-12	1,674,569	1,044,243	3,879,456	1,317,690	382,157	2,952,059	304,729	1,244,873	1,209,331	14,009,107	
2012-13	2,201,469	1,099,081	3,761,338	1,279,412	519,193	3,115,786	328,495	1,048,990	1,236,692	14,590,456	
2013-14	2,145,815	986,086	3,797,846	1,236,062	622,999	3,026,037	397,328	1,162,375	1,296,837	14,671,385	

COUNTY OF GREENSVILLE, VIRGINIA

Table 2

Government-Wide Revenues
Last Ten Fiscal Years

Fiscal Year	PROGRAM REVENUES				GENERAL REVENUES					Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs		
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	
2010-11	1,589,597	1,585,577	408,865	5,933,804	1,486,613	142,470	178,946	2,063,837	13,389,709	
2011-12	1,872,491	2,184,346	620,578	6,362,075	1,678,114	243,219	300,124	1,338,942	14,599,889	
2012-13	2,214,438	2,406,121	1,926,310	6,903,717	1,773,341	226,704	241,080	1,309,447	17,001,158	
2013-14	1,997,115	2,539,221	1,663,397	7,173,293	2,004,316	282,595	197,154	1,334,540	17,191,631	

COUNTY OF GREENSVILLE, VIRGINIA

Table 3

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

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Non-departmental	Debt Service		Total
										Debt	Service	
2004-05	\$ 1,268,537	\$ 772,483	\$ 2,916,147	\$ 1,470,144	\$ 3,377,420	\$ 22,743,518	\$ 253,589	\$ 1,881,231	\$ 5,616	\$ 2,593,970	\$ 37,282,655	
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	
2010-11	1,603,288	1,136,318	3,725,758	1,460,968	3,687,030	26,849,683	246,825	2,830,260	5,265	3,182,239	44,727,634	
2011-12	1,637,251	1,151,701	4,061,946	1,511,530	3,248,235	25,418,468	292,125	2,026,518	8,619	3,284,397	42,640,790	
2012-13	1,779,391	1,174,347	4,274,177	1,422,787	3,583,620	25,411,243	317,265	1,300,345	8,033	3,399,604	42,670,812	
2013-14	1,692,499	1,244,857	4,211,852	1,429,729	3,898,595	25,862,158	340,361	2,545,619	8,532	4,018,037	45,252,239	

(1) Includes General 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 - School Board. Excludes Capital Projects Fund.

COUNTY OF GREENSVILLE, VIRGINIA

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
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
2010-11	5,922,517	1,448,405	45,532	1,167,244	162,709	4,470,397	492,145	1,148,196	34,865,887	49,723,032
2011-12	6,302,857	1,678,114	49,705	1,471,648	258,075	4,296,821	453,643	1,274,732	26,912,024	42,697,619
2012-13	6,892,518	1,773,341	45,108	1,754,597	236,571	4,472,707	479,551	1,088,594	36,748,245	53,491,232
2013-14	7,108,436	2,004,316	58,037	1,530,075	282,934	4,856,227	465,031	1,255,018	27,622,033	45,182,107

(1) Includes General 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 - School Board.
Excludes Capital Projects Fund.

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	
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%			
2010-11		6,910,694		6,662,097	96.40%		164,312		6,826,409	98.78%		544,724	7.88%			
2011-12		7,080,936		7,016,273	99.09%		152,103		7,168,376	101.23%		536,343	7.57%			
2012-13		7,900,801		7,482,747	94.71%		249,606		7,732,353	97.87%		565,854	7.16%			
2013-14		8,093,243		7,697,196	95.11%		242,640		7,939,836	98.10%		645,192	7.97%			

(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
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	
2010-11	673,975,450	51,182,826	5,601,644	81,500	32,030,360	46,278,980	809,150,760	
2011-12	674,656,600	52,453,750	5,460,730	81,500	30,960,340	48,186,374	811,799,294	
2012-13	691,379,490	54,566,540	5,639,760	145,000	32,605,610	49,274,748	833,611,148	
2013-14	693,196,100	56,440,707	5,463,675	142,460	25,280,610	51,493,338	832,016,890	

(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
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
2010-11	0.45	4.50	0.45	4.00	0.50
2011-12	0.47	4.50	0.47	4.00	0.50
2012-13	0.51	5.00	0.51	4.00	0.50
2013-14	0.56	5.00	0.56	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				
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
2010-11	12,257	809,151	14,718,795	-	-	14,718,795	1.82%	1,201
2011-12	12,257	811,799	13,551,672	-	-	13,551,672	1.67%	1,106
2012-13	12,136	833,611	12,200,986	-	-	12,200,986	1.46%	1,005
2013-14	11,581	832,017	10,789,239	-	-	10,789,239	1.30%	932

(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, compensated absences, and net OPEB obligation.

COMPLIANCE

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ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Greensville, Virginia as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County of Greensville, Virginia's basic financial statements, and have issued our report dated January 28, 2015.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

Purpose of this Report

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

Robinson, Farmer, Cox Associates
Charlottesville, Virginia
January 28, 2015

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Report on Compliance for Each Major Federal Program

We have audited the 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, 2014. County of Greensville, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

Opinion on Each Major Federal Program

In our opinion, County of Greensville, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

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

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

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

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

Robinson, Farmer, Cox Associates
Charlottesville, Virginia
January 28, 2015

COUNTY OF GREENSVILLE, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass Through Payments:			
Department of Social Services:			
Promoting Safe and Stable Families	93.556	0950113	\$ 8,716
Temporary Assistance for Needy Families	93.558	0400113/0400114	321,050
Refugee and Entrant Assistance - State Administered Programs	93.566	0500113/0500114	1,689
Low-Income Home Energy Assistance	93.568	0600413/0600414	30,599
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760113/0760114	44,457
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900113/0900114	2,106
Foster Care - Title IV-E	93.658	1100113/1100114	118,617
Adoption Assistance	93.659	1120113/1120114	27,119
Social Services Block Grant	93.667	1000113/1000114	201,207
Chafee Foster Care Independence Program	93.674	9150113/9150114	3,499
Children's Health Insurance Program	93.767	0540113/0540114	8,733
Medical Assistance Program	93.778	1200113/1200114	252,916
Total Department of Health and Human Services			<u>\$ 1,020,708</u>
Department of Agriculture:			
Direct Payments:			
Community Facilities Loans and Grants	10.766	N/A	\$ 758,938
Rural Business Enterprise Grants	10.769	N/A	<u>45,821</u>
Pass Through Payments:			
Child Nutrition Cluster:			
Virginia Department of Agriculture and Consumer Services:			
Food Commodities Distribution	10.555	406230	\$ 79,312
Department of Education:			
National School Lunch Program	10.555	406230	<u>594,985</u> \$ 674,297
School Breakfast Program	10.553	405910	216,602
Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010113/0010114 0040113/0040114	<u>284,103</u>
Total Department of Agriculture			<u>\$ 1,979,761</u>
Department of Housing and Urban Development			
Pass Through Payments:			
Office of Community Planning and Development			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-04-DC-51-0001	<u>\$ 325,553</u>

COUNTY OF GREENSVILLE, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)
 For the Year Ended June 30, 2014

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Criminal Justice:			
Direct Payments:			
Bulletproof Vest Partnership Program	16.607	N/A	\$ <u>2,738</u>
Department of Homeland Security			
Pass Through Payments:			
Department of Emergency Management:			
Emergency Management Performance Grants	97.042	77501-52708/52709	\$ 7,500
State Homeland Security Program	97.073	N/A	<u>20,439</u>
Total Department of Homeland Security			\$ <u>27,939</u>
Department of Defense:			
Direct Payments:			
Department of Defense:			
ROTC	12.000	N/A	\$ <u>59,205</u>
Department of Education:			
Pass Through Payments:			
Department of Education:			
Title I Grants to Local Educational Agencies	84.010	S010A110046/S010A120046	\$ 803,248
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	H027A110107/H027A120107	776,169
Special Education - Preschool Grants	84.173	H173A110112	2,900
Twenty-First Century Community Learning Centers	84.287	S287C110047/S287C120047/S287C130047	594,242
Improving Teacher Quality State Grants	84.367	S367A120044/	136,984
Career and Technical Education - Basic Grants to States	84.048	V048A120046/V048A130046	97,861
Rural Education	84.358	S358B120046	65,065
Title III, Part A - English Language Acquisition State Grants	84.365	S365A110046	5,876
Fund for the Improvement of Postsecondary Education	84.116	Unknown	<u>25,771</u>
Total Department of Education			\$ <u>2,508,116</u>
Total Expenditures of Federal Awards			\$ <u><u>5,924,020</u></u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Note 1 - Basis of Presentation

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. Because the schedule presents only a selected portion of the operations of County of Greensville, Virginia, it is not intended to and does not present the financial position, changes in net positions, or cash flows of County of Greensville, Virginia.

Note 2 - Summary of Significant Accounting Policies

1) 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.

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

Note 3 - Food Donation

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

Note 4 - Relationship to Financial Statements

Federal expenditures, revenues and capital contributions are reported in the County's basic financial statements as follows:

Intergovernmental federal revenues per the basic financial statements:	
Primary government:	
General Fund	\$ 271,751
General Fund Federal Loan Proceeds	758,938
Capital Projects Fund	156,071
Total primary government	<u>\$ 1,186,760</u>
Component Unit School Board:	
School Operating Fund	\$ 2,541,550
School Cafeteria Fund	890,899
Total component unit school board	<u>\$ 3,432,449</u>
Component Unit Department of Social Services	<u>\$ 1,304,811</u>
Total expenditures of federal awards per the Schedule of Expenditures of Federal Awards	<u><u>\$ 5,924,020</u></u>

COUNTY OF GREENSVILLE, VIRGINIA

Schedule of Findings and Questioned Costs
 Year Ended June 30, 2014

Section I - Summary of Auditors' Results

Financial Statements

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

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510 (a)?	No

Identification of major programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
84.287	Twenty-First Century Community Learning Centers
10.766	Community Facilities Loans and Grants
	Special Education Cluster:
84.027	Special Education - Grants to States
84.173	Special Education - Preschool Grants

Dollar threshold used to distinguish between Type A and Type B programs	\$300,000
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

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

COUNTY OF GREENSVILLE, VIRGINIA

Schedule of Prior Year Audit Findings
Year Ended June 30, 2014

There were no items reported in the prior year.

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