



FINANCIAL REPORT
YEAR ENDED JUNE 30, 2011

COUNTY OF GREENSVILLE, VIRGINIA

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2011

COUNTY OF GREENSVILLE, VIRGINIA

Financial Report
Year Ended June 30, 2011

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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

Marguerite K. Bruton, Chairman

Tony Conwell, Vice-Chairman

Bessie Reed-Moore

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

W. Allan Sharrett
Robert C. Wrenn
Theodore Burr
Patricia T. Watson
Martha S. Swenson
Linda Richardson
J.R. Edwards, Jr.
Dr. Phillip L. Worrell
Robert Henderson
K. David Whittington

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Greensville, Virginia, as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Greensville, Virginia's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Greensville, Virginia, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the financial statements, the County of Greensville, Virginia adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective July 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2011, on our consideration of the County of Greensville, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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 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 management's discussion and analysis and schedules of funding progress 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 management's discussion and analysis and schedules of funding progress 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.

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 introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the County of Greensville, Virginia. The combining and individual nonmajor fund financial statements and schedules, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Robinson, Farmer, Cox Associates
Charlottesville, Virginia
December 22, 2011

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, 2011.

Financial Highlights

Government-wide Financial Statements

- The assets of the County (Governmental and Business-type activities) exceeded its liabilities at the close of the most recent fiscal year by \$30,839,441 (net assets) compared to \$33,157,667 in the prior year, a decrease of \$2,318,226.
- Our combined (governmental and business-type activities) long-term obligations increased by a net of \$3,134,016 during the current fiscal year. This increase is due to the issuance of bonds for construction projects and additional landfill closure and post-closure costs incurred.

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported revenues and other financing sources in excess of expenditures by \$1,208,903 (Exhibit 5) after making contributions totaling \$1,582,383 (net of adjustment) to the School Board. In the prior year, fund balance decreased by \$356,338.

- As of the close of the current fiscal year; the County's funds reported ending fund balances of \$2,886,261, an increase of \$1,208,903 in comparison with the prior year. The major increase of fund balance can be attributed to the continued work and related bond proceeds for the Southside Virginia Workforce Center and District 19 Clinic capital projects.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,118,923, or 7% of total general fund expenditures.

Overview of the Financial Statements

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

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

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

Overview of the Financial Statements (Continued)

Government-wide financial statements - The Government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

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

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

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

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

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Greenville, Virginia, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and proprietary funds.

Governmental funds - Governmental funds are used to account for essentially the same functions or services reported as governmental activities in the government-wide financial statements. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds focus is narrower than that of the government-wide financial statements, reconciliation between the two methods is provided on Exhibit 4. The County has two major governmental funds - the General Fund and the Capital Projects Fund.

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

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Overview of the Financial Statements (Continued)

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a County's financial position. In the case of the County, (government and business-type) total assets exceeded total liabilities by \$30,839,441 at the close of the fiscal year ended June 30, 2011.

County of Greenville, Virginia's Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current and other assets	\$ 10,691,780	\$ 10,657,865	\$ 7,655,428	\$ 7,583,610
Capital assets	37,058,253	36,895,838	31,207,248	31,650,931
Total assets	<u>\$ 47,750,033</u>	<u>\$ 47,553,703</u>	<u>\$ 38,862,676</u>	<u>\$ 39,234,541</u>
Long-term liabilities outstanding	\$ 34,415,768	\$ 32,136,268	\$ 13,022,656	\$ 12,168,140
Current liabilities	8,070,739	8,833,477	264,105	492,692
Total liabilities	<u>\$ 42,486,507</u>	<u>\$ 40,969,745</u>	<u>\$ 13,286,761</u>	<u>\$ 12,660,832</u>
Net assets:				
Invested in capital assets, net of related debt	\$ 5,190,639	\$ 5,444,436	\$ 22,482,305	\$ 22,385,654
Restricted for:				
Debt Service	859,669	992,798	-	-
Unrestricted	<u>(786,782)</u>	<u>146,724</u>	<u>3,093,610</u>	<u>4,188,055</u>
Total net assets	<u>\$ 5,263,526</u>	<u>\$ 6,583,958</u>	<u>\$ 25,575,915</u>	<u>\$ 26,573,709</u>

At the end of the current fiscal year, the County's investment in capital assets, net of related debt, is \$5,190,639. This decrease can be attributed to the repayment of principal on outstanding bonds and notes and additional capital outlays and building projects. The unrestricted net assets of governmental activities at June 30, 2011 is (\$786,782).

Government-wide Financial Analysis (Continued)

The total net assets of the County decreased \$2,318,226. Key elements of this decrease are as follows:

County of Greenville, Virginia's Change in Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues:				
Program revenues:				
Charges for services	\$ 1,589,597	\$ 1,780,329	\$ 4,163,406	\$ 3,864,357
Operating grants and contributions	1,623,785	1,678,137	-	-
Capital grants and contributions	408,865	1,985,897	496,353	1,184,708
General revenues:				
Property taxes	5,933,804	5,807,692	-	-
Other local taxes	1,448,405	1,447,080	-	-
Other revenue	321,416	416,141	41,449	73,687
Grants and other contributions unrestricted	2,063,837	2,228,992	92,530	2,011,283
Total revenues	\$ <u>13,389,709</u>	\$ <u>15,344,268</u>	\$ <u>4,793,738</u>	\$ <u>7,134,035</u>
Expenses:				
General government	\$ 2,056,841	\$ 462,287	\$ -	\$ -
Judicial administration	885,693	933,390	-	-
Public safety	3,323,733	3,731,815	-	-
Public works	1,441,333	1,268,511	5,791,532	4,760,095
Health and welfare	370,846	1,209,307	-	-
Education	3,527,147	3,080,160	-	-
Parks, recreation and culture	246,825	230,567	-	-
Community development	1,684,446	2,746,961	-	-
Interest	1,173,277	1,146,754	-	-
Total expenses	\$ <u>14,710,141</u>	\$ <u>14,809,752</u>	\$ <u>5,791,532</u>	\$ <u>4,760,095</u>
Increase (decrease) in net assets	\$ (1,320,432)	\$ 534,516	\$ (997,794)	\$ 2,373,940
Net assets - beginning	6,583,958	6,049,442	26,573,709	24,199,769
Net assets - ending	\$ <u>5,263,526</u>	\$ <u>6,583,958</u>	\$ <u>25,575,915</u>	\$ <u>26,573,709</u>

For the most part, increases in governmental activities revenues and expenditures closely paralleled inflation and growth in the demand for services causing a net asset decrease of \$1,320,432 in governmental activities only. The net assets of business-type activities decreased \$997,794 due to increase in landfill closure and post-closure liabilities.

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 \$2,886,261, an increase of \$1,208,903 in comparison with the prior year. Approximately 39% 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 continued use and related debt proceeds of funds for capital projects.

Proprietary funds

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

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were \$1,790,656 and can be briefly summarized as follows:

- \$864,525 in increases in Public Safety
- \$800,309 in increases in Community Development
- \$125,822 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, 2011 amounted to \$37,058,253 (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, 2011:

County of Greensville, Virginia's Capital Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land	\$ 1,295,528	\$ 1,295,528	\$ 441,589	\$ 441,589
Land and landfill improvements	-	-	1,076,107	1,076,107
Infrastructure	-	-	38,032,368	36,558,073
Land improvements	1,416,126	1,416,126	-	-
Buildings and improvements	20,641,508	15,285,748	2,803,808	2,803,808
Equipment	2,256,815	2,310,222	2,213,061	2,013,006
Tenancy in common (buildings)	18,436,629	6,197,369	-	-
Construction in progress	<u>1,024,282</u>	<u>17,604,424</u>	<u>79,812</u>	<u>1,210,188</u>
Total	\$ 45,070,888	\$ 44,109,417	\$ 44,646,745	\$ 44,102,771
Less accumulated depreciation	<u>(8,012,635)</u>	<u>(7,213,579)</u>	<u>(13,439,497)</u>	<u>(12,451,840)</u>
Net capital assets	<u>\$ 37,058,253</u>	<u>\$ 36,895,838</u>	<u>\$ 31,207,248</u>	<u>\$ 31,650,931</u>

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

Capital Asset and Debt Administration: (Continued)

Long-term debt - At the end of the current fiscal year, the County had total governmental activities debt outstanding of \$34,415,768. Of this amount \$13,195,947 comprises debt backed by the full faith and credit of the County, (bonded debt). The remainder of the County's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds). The following table depicts a comparison of outstanding debt to prior year.

County of Greensville, Virginia's Outstanding Debt

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Literary loans	\$ 6,950,000	\$ 7,425,000	\$ -	\$ -
VPSA bonds	6,245,947	6,272,369	-	-
Revenue bonds	16,095,613	15,277,573	8,532,730	9,007,680
Loans payable	4,614,061	2,651,548	173,925	184,331
Landfill closure/post-closure	-	-	4,076,182	2,685,232
Bond Premiums	61,436	-	-	-
Compensated absences	250,279	228,130	211,543	212,632
Other Post-Employment Benefits	50,200	31,966	9,989	5,000
Capital leases	148,232	249,682	18,287	73,265
Total	\$ <u>34,415,768</u>	\$ <u>32,136,268</u>	\$ <u>13,022,656</u>	\$ <u>12,168,140</u>

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

The County's total debt increased by a net of \$3,134,016 during the current fiscal year. Governmental activities debt increased \$2,279,500 due to bond issuances while business-type activities debt increased \$854,516 due to landfill closure and post-closure in liabilities recognized.

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

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the County at June 30, 2011 was 7.5 percent, which is a decrease from a rate of 9.8 percent a year ago. This compares unfavorably to the state's average unemployment rate of 6.3 percent and favorably to the national average rate of 9.3 percent.

Inflationary trends in the region compare favorably to national indices.

The fiscal year 2012 General Fund budget increased from \$14,054,181 to \$14,342,093 or \$287,912 (2%). Fiscal year 2012 tax rates are as follows: \$0.47/\$100 Real Estate; \$4.50/\$100 Personal Property; \$4.00/\$100 Machinery and Tools; \$0.50/\$100 Aircraft.

Requests for Information

This financial report is designed to provide a general overview of the County of Greensville, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, 1781 Greensville County Circle, Emporia, Virginia, 23847.

BASIC FINANCIAL STATEMENTS

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Government-wide Financial Statements

COUNTY OF GREENSVILLE, VIRGINIA

Statement of Net Assets
June 30, 2011

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 347,563	\$ 5,953,062	\$ 6,300,625
Receivables (net of allowance for uncollectibles):			
Taxes receivable	7,358,488	-	7,358,488
Accounts receivable	192,502	608,716	801,218
Notes receivable	-	-	-
Settlement receivable	-	86,585	86,585
Loan receivable	-	47,881	47,881
Lease receivable	-	-	-
Prepaid expenses	-	-	-
Due from primary government	-	-	-
Due from component units	1,317,448	-	1,317,448
Long-term advance to Greensville County School Board	275,000	-	275,000
Due from other governmental units	276,282	-	276,282
Due from trustee	30,000	-	30,000
Due from City of Emporia, Virginia	-	-	-
Prepaid expenses	30,639	-	30,639
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	863,858	-	863,858
Other assets:			
Other assets	-	167,060	167,060
Loan receivable	-	792,124	792,124
Investment in industrial land	-	-	-
Capital assets (net of accumulated depreciation):			
Land	1,295,528	441,589	1,737,117
Buildings and system	33,330,439	-	33,330,439
Property, plant and equipment	-	30,685,847	30,685,847
Improvements other than buildings	1,143,052	-	1,143,052
Machinery and equipment	264,952	-	264,952
Construction in progress	1,024,282	79,812	1,104,094
Total assets	<u>\$ 47,750,033</u>	<u>\$ 38,862,676</u>	<u>\$ 86,612,709</u>
LIABILITIES			
Accounts payable	\$ 169,984	\$ 187,057	\$ 357,041
Accrued liabilities	-	-	-
Accrued interest payable	498,950	77,048	575,998
Due to primary government	-	-	-
Long-term advance from Greensville County	-	-	-
Due to City of Emporia	315,884	-	315,884
Long-term advance from Emporia	-	-	-
Unearned revenue	7,085,921	-	7,085,921
Long-term liabilities:			
Due within one year	2,010,840	576,358	2,587,198
Due in more than one year	32,404,928	12,446,298	44,851,226
Total liabilities	<u>\$ 42,486,507</u>	<u>\$ 13,286,761</u>	<u>\$ 55,773,268</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ 5,190,639	\$ 22,482,305	\$ 27,672,944
Restricted for:			
Debt service	859,669	-	859,669
Employee benefits	-	-	-
Industry	-	-	-
Unrestricted	<u>(786,782)</u>	<u>3,093,610</u>	<u>2,306,828</u>
Total net assets	<u>\$ 5,263,526</u>	<u>\$ 25,575,915</u>	<u>\$ 30,839,441</u>

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

Exhibit 1

			Component Units		
			Department of Social Services	Industrial Development Authority	
School Board					
\$ 2,452,498	\$ 732,214	\$ 311,892			
-	-	-			
-	-	-			
-	-	19,850			
-	-	-			
-	-	-			
-	-	10,417			
-	-	-			
-	-	315,884			
-	-	-			
-	-	-			
1,546,295	222,875	-			
-	-	-			
150,258	402,669	-			
329,264	-	-			
237,929	14,165	3,789,336			
-	-	-			
-	-	-			
-	-	3,367,756			
442,775	-	-			
9,216,936	-	3,446,622			
-	-	-			
-	-	-			
1,351,174	-	-			
1,297,407	-	-			
<u>\$ 17,024,536</u>	<u>\$ 1,371,923</u>	<u>\$ 11,261,757</u>			
\$ 66,094	\$ 1,263	\$ 2,036			
1,757,064	-	-			
-	-	-			
591,812	720,636	-			
280,000	-	-			
-	-	-			
220,000	-	-			
-	-	-			
-	21,828	161,520			
121,400	196,452	2,425,820			
<u>\$ 3,036,370</u>	<u>\$ 940,179</u>	<u>\$ 2,589,376</u>			
\$ 12,308,292	\$ -	\$ 859,282			
-	-	-			
-	14,165	-			
-	-	3,789,336			
1,679,874	417,579	4,023,763			
<u>\$ 13,988,166</u>	<u>\$ 431,744</u>	<u>\$ 8,672,381</u>			

COUNTY OF GREENSVILLE, VIRGINIA

Statement of Activities
 For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government administration	\$ 2,056,841	\$ 39,075	\$ 189,381	\$ -
Judicial administration	885,693	250,391	624,132	-
Public safety	3,323,733	1,211,645	767,064	22,307
Public works	1,441,333	88,486	-	-
Health and welfare	370,846	-	-	-
Education	3,527,147	-	-	-
Parks, recreation, and cultural	246,825	-	-	-
Community development	1,684,446	-	5,000	386,558
Interest on long-term debt	1,173,277	-	-	-
Total governmental activities	\$ 14,710,141	\$ 1,589,597	\$ 1,585,577	\$ 408,865
Business-type activities:				
Solid Waste	\$ 2,216,228	\$ 865,494	\$ -	\$ -
Water and Sewer Authority	3,575,304	3,297,912	-	496,353
Total business-type activities	\$ 5,791,532	\$ 4,163,406	\$ -	\$ 496,353
Total primary government	\$ 20,501,673	\$ 5,753,003	\$ 1,585,577	\$ 905,218
Component Units:				
School Board	\$ 26,147,689	\$ 3,759,539	\$ 20,200,363	\$ -
Department of Social Services	3,310,250	-	3,277,359	-
Industrial Development Authority	1,221,270	335,147	-	7,443,073
Total component units	\$ 30,679,209	\$ 4,094,686	\$ 23,477,722	\$ 7,443,073
General revenues:				
General property taxes				
Other local taxes:				
Consumer utility				
Local sales and use taxes				
Business license taxes				
Motor vehicle licenses				
Other local taxes				
Unrestricted revenues from use of money and property				
Miscellaneous				
Grants and contributions not restricted to specific programs				
Total general revenues				
Change in net assets				
Net assets - beginning				
Net assets - ending				

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

Net (Expense) Revenue and Changes in Net Assets						
Primary Government			Component Units			
Governmental Activities	Business-type Activities	Total	School Board	Department of Social Services	Industrial Development Authority	
\$ (1,828,385)	\$ -	\$ (1,828,385)	\$ -	\$ -	\$ -	\$ -
(11,170)	-	(11,170)	-	-	-	-
(1,322,717)	-	(1,322,717)	-	-	-	-
(1,352,847)	-	(1,352,847)	-	-	-	-
(370,846)	-	(370,846)	-	-	-	-
(3,527,147)	-	(3,527,147)	-	-	-	-
(246,825)	-	(246,825)	-	-	-	-
(1,292,888)	-	(1,292,888)	-	-	-	-
(1,173,277)	-	(1,173,277)	-	-	-	-
<u>\$ (11,126,102)</u>	<u>\$ -</u>	<u>\$ (11,126,102)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ (1,350,734)	\$ (1,350,734)	\$ -	\$ -	\$ -	\$ -
-	218,961	218,961	-	-	-	-
<u>\$ -</u>	<u>\$ (1,131,773)</u>	<u>\$ (1,131,773)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ (11,126,102)</u>	<u>\$ (1,131,773)</u>	<u>\$ (12,257,875)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (2,187,787)	\$ -	\$ -	\$ -
-	-	-	-	(32,891)	-	-
-	-	-	-	-	6,556,950	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,187,787)</u>	<u>\$ (32,891)</u>	<u>\$ 6,556,950</u>	<u>\$ -</u>
\$ 5,933,804	\$ -	\$ 5,933,804	\$ -	\$ -	\$ -	\$ -
294,761	-	294,761	-	-	-	-
421,342	-	421,342	-	-	-	-
304,241	-	304,241	-	-	-	-
181,744	-	181,744	-	-	-	-
284,525	-	284,525	-	-	-	-
142,470	15,584	158,054	13,546	1,124	7,659	-
178,946	25,865	204,811	257,164	-	44,990	-
2,063,837	92,530	2,156,367	3,043,667	1,859	180,259	-
<u>\$ 9,805,670</u>	<u>\$ 133,979</u>	<u>\$ 9,939,649</u>	<u>\$ 3,314,377</u>	<u>\$ 2,983</u>	<u>\$ 232,908</u>	<u>\$ -</u>
\$ (1,320,432)	\$ (997,794)	\$ (2,318,226)	\$ 1,126,590	\$ (29,908)	\$ 6,789,858	\$ -
6,583,958	26,573,709	33,157,667	12,861,576	461,652	1,882,523	-
<u>\$ 5,263,526</u>	<u>\$ 25,575,915</u>	<u>\$ 30,839,441</u>	<u>\$ 13,988,166</u>	<u>\$ 431,744</u>	<u>\$ 8,672,381</u>	<u>\$ -</u>

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Fund Financial Statements

Balance Sheet
 Governmental Funds
 June 30, 2011

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 932,372	\$ 932,372
Receivables (net of allowance for uncollectibles):			
Taxes receivable	7,358,488	-	7,358,488
Accounts receivable	192,502	-	192,502
Prepaid items	30,639	-	30,639
Due from component units	1,317,448	-	1,317,448
Long-term advance to Greensville County School Board	275,000	-	275,000
Due from trustee	-	30,000	30,000
Due from other governmental units	276,282	-	276,282
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	859,669	-	859,669
Total assets	\$ 10,310,028	\$ 962,372	\$ 11,272,400
LIABILITIES AND FUND BALANCES			
Liabilities:			
Reconciled overdraft payable	\$ 584,809	\$ -	\$ 584,809
Accounts payable	125,526	44,458	169,984
Due to component unit	-	315,884	315,884
Deferred revenue	7,315,462	-	7,315,462
Total liabilities	\$ 8,025,797	\$ 360,342	\$ 8,386,139
Fund balances:			
Nonspendable	\$ 30,639	\$ -	\$ 30,639
Restricted for:			
Debt service	859,669	-	859,669
Education	275,000	-	275,000
Committed for:			
Capital projects - various	-	602,030	602,030
Unassigned	1,118,923	-	1,118,923
Total fund balances	\$ 2,284,231	\$ 602,030	\$ 2,886,261
Total liabilities and fund balances	\$ 10,310,028	\$ 962,372	\$ 11,272,400

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

Reconciliation of the Balance Sheet of Governmental Funds
 To the Statement of Net Assets
 June 30, 2011

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$ 2,886,261
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	37,058,253
Unspent bond proceeds used for construction by the component unit school board and other assets and liabilities are reported as assets and liabilities of the primary government on the statement of net assets.	4,189
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	229,541
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	\$ (498,950)
Long-term liabilities	<u>(34,415,768)</u>
Net assets of governmental activities	<u>\$ 5,263,526</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, 2011

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Total</u>
REVENUES			
General property taxes	\$ 5,922,517	\$ -	\$ 5,922,517
Other local taxes	1,486,613	-	1,486,613
Permits, privilege fees, and regulatory licenses	45,532	-	45,532
Fines and forfeitures	1,167,244	-	1,167,244
Revenue from the use of money and property	142,273	197	142,470
Charges for services	376,821	-	376,821
Miscellaneous	178,944	-	178,944
Recovered costs	1,148,196	-	1,148,196
Intergovernmental revenues:			
Local government	-	-	-
Commonwealth	3,510,399	15,390	3,525,789
Federal	482,490	50,000	532,490
Total revenues	<u>\$ 14,461,029</u>	<u>\$ 65,587</u>	<u>\$ 14,526,616</u>
EXPENDITURES			
Current:			
General government administration	\$ 1,603,288	\$ -	\$ 1,603,288
Judicial administration	1,136,318	-	1,136,318
Public safety	3,725,758	-	3,725,758
Public works	1,460,968	-	1,460,968
Health and welfare	406,688	-	406,688
Education	1,685,764	-	1,685,764
Parks, recreation, and cultural	246,825	-	246,825
Community development	1,608,990	-	1,608,990
Nondepartmental	5,265	-	5,265
Capital projects	-	1,746,647	1,746,647
Debt service:			
Principal retirement	2,011,920	-	2,011,920
Interest and other fiscal charges	1,170,319	-	1,170,319
Total expenditures	<u>\$ 15,062,103</u>	<u>\$ 1,746,647</u>	<u>\$ 16,808,750</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (601,074)</u>	<u>\$ (1,681,060)</u>	<u>\$ (2,282,134)</u>
OTHER FINANCING SOURCES (USES)			
Premium on bonds issued	\$ -	\$ 61,436	\$ 61,436
Proceeds of bonds payable	-	3,429,601	3,429,601
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 3,491,037</u>	<u>\$ 3,491,037</u>
Net change in fund balances	\$ (601,074)	\$ 1,809,977	\$ 1,208,903
Fund balances - beginning	<u>2,885,305</u>	<u>(1,207,947)</u>	<u>1,677,358</u>
Fund balances - ending	<u>\$ 2,284,231</u>	<u>\$ 602,030</u>	<u>\$ 2,886,261</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, 2011

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

Net change in fund balances - total governmental funds	\$	1,208,903
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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	\$	1,980,526	
Depreciation expense		(777,408)	
Net transfer of assets to School Board		<u>(1,461,284)</u>	(258,166)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	11,287
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Proceeds from issuances of new debt	\$	(4,189,601)	
Proceeds from issuances of new debt - premium		(61,436)	
Principal paid on long-term obligations		<u>2,011,920</u>	(2,239,117)

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

(Increase) in accrued interest payable	\$	(2,956)	
(Increase) in accrued leave		(22,149)	
(Increase) in OPEB liability		<u>(18,234)</u>	<u>(43,339)</u>

Change in net assets of governmental activities	\$	<u><u>(1,320,432)</u></u>
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The notes to the financial statements are an integral part of this statement.

Statement of Net Assets
 Proprietary Funds
 June 30, 2011

	Enterprise Funds		
	Solid Waste	Water & Sewer Authority	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 4,119,134	\$ 1,486,880	\$ 5,606,014
Cash with fiscal agent	-	347,048	347,048
Accounts receivable, net of allowance for uncollectibles	129,283	479,433	608,716
Settlement receivable	-	86,585	86,585
Loan receivable, current portion	-	47,881	47,881
Total current assets	\$ 4,248,417	\$ 2,447,827	\$ 6,696,244
Noncurrent assets:			
Other assets	\$ -	\$ 167,060	\$ 167,060
Loan receivable, long-term portion	-	792,124	792,124
Capital assets:			
Land	-	441,589	441,589
Property, plant and equipment	4,153,673	39,971,671	44,125,344
Less accumulated depreciation	(1,386,204)	(12,053,293)	(13,439,497)
Construction in progress	-	79,812	79,812
Total capital assets	\$ 2,767,469	\$ 28,439,779	\$ 31,207,248
Total noncurrent assets	\$ 2,767,469	\$ 29,398,963	\$ 32,166,432
Total assets	\$ 7,015,886	\$ 31,846,790	\$ 38,862,676
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	\$ 6,871	\$ 180,186	\$ 187,057
Accrued interest payable	-	77,048	77,048
Current portion of long-term obligations	1,866	574,492	576,358
Total current liabilities	\$ 8,737	\$ 831,726	\$ 840,463
Noncurrent liabilities:			
Accrued closure and postclosure landfill costs	\$ 4,076,182	\$ -	\$ 4,076,182
Compensated absences - net of current portion	16,793	173,596	190,389
Other long-term liabilities - net of current portion	-	8,179,727	8,179,727
Total noncurrent liabilities	\$ 4,092,975	\$ 8,353,323	\$ 12,446,298
Total liabilities	\$ 4,101,712	\$ 9,185,049	\$ 13,286,761
NET ASSETS			
Invested in capital assets, net of related debt	\$ 2,767,469	\$ 19,714,836	\$ 22,482,305
Unrestricted	146,705	2,946,905	3,093,610
Total net assets	\$ 2,914,174	\$ 22,661,741	\$ 25,575,915

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

Statement of Revenues, Expenses, and Changes in Fund Net Assets
 Proprietary Funds
 For the Year Ended June 30, 2011

	Enterprise Funds		
	Solid Waste	Water & Sewer Authority	Total
OPERATING REVENUES			
Charges for services:			
Disposal fees	\$ 835,955	\$ -	\$ 835,955
Metered sales - water	-	1,497,679	1,497,679
User fees - sewer	-	1,694,763	1,694,763
Penalty	1	39,079	39,080
Other revenues	29,538	66,391	95,929
Total operating revenues	\$ 865,494	\$ 3,297,912	\$ 4,163,406
OPERATING EXPENSES			
Personnel services	\$ 208,744	\$ -	\$ 208,744
Fringe benefits	71,949	-	71,949
Contractual services	177,998	-	177,998
Internal services	80,000	-	80,000
Other charges	96,043	-	96,043
Water and sewer operations	-	2,264,399	2,264,399
Depreciation	190,544	797,113	987,657
Amortization	-	21,523	21,523
Landfill closure costs	1,390,950	-	1,390,950
Total operating expenses	\$ 2,216,228	\$ 3,083,035	\$ 5,299,263
Operating income (loss)	\$ (1,350,734)	\$ 214,877	\$ (1,135,857)
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental revenue	\$ 5,910	\$ -	\$ 5,910
Settlement income	-	86,620	86,620
Interest expense	-	(468,460)	(468,460)
Interest income	3,705	11,879	15,584
Other non-operating revenues	-	25,865	25,865
Other non-operating expenses	-	(23,809)	(23,809)
Total nonoperating revenues (expenses)	\$ 9,615	\$ (367,905)	\$ (358,290)
Income before grants and capital contributions	(1,341,119)	(153,028)	(1,494,147)
Capital contributions and connection charges	\$ -	\$ 496,353	\$ 496,353
Total grants and capital contributions	\$ -	\$ 496,353	\$ 496,353
Change in net assets	\$ (1,341,119)	\$ 343,325	\$ (997,794)
Total net assets - beginning	4,255,293	22,318,416	26,573,709
Total net assets - ending	\$ 2,914,174	\$ 22,661,741	\$ 25,575,915

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, 2011

	Enterprise Funds		
	Solid Waste	Water & Sewer Authority	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 817,791	\$ 3,256,612	\$ 4,074,403
Receipts for other charges	29,538	-	29,538
Payments to suppliers of goods and services	(173,751)	(1,502,008)	(1,675,759)
Payments to employees	(278,292)	(993,168)	(1,271,460)
Payments for interfund services used	(80,000)	-	(80,000)
Payments for other charges	(96,043)	-	(96,043)
Net cash provided (used) by operating activities	<u>\$ 219,243</u>	<u>\$ 761,436</u>	<u>\$ 980,679</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grants from Commonwealth of Virginia	\$ 5,910	\$ -	\$ 5,910
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	\$ (168,500)	\$ (375,474)	\$ (543,974)
Bond issue costs paid	-	(85,021)	(85,021)
Other nonoperating income	-	25,865	25,865
Capital contributions and connection charges	-	496,353	496,353
Miscellaneous non-operating expenses	-	(23,809)	(23,809)
Interest payments	-	(475,122)	(475,122)
Proceeds from issuance of bonds payable	-	4,435,000	4,435,000
Premium received on bond issuance	-	376,986	376,986
Loans made to other entities	-	(825,000)	(825,000)
Principal payments on loans receivable	-	4,608	4,608
Retirement of indebtedness	-	(5,365,544)	(5,365,544)
Proceeds from settlement of lawsuit	-	139,409	139,409
Net cash provided (used) by capital and related financing activities	<u>\$ (168,500)</u>	<u>\$ (1,671,749)</u>	<u>\$ (1,840,249)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest earned	\$ 3,705	\$ 11,879	\$ 15,584
Net increase (decrease) in cash and cash equivalents	\$ 60,358	\$ (898,434)	\$ (838,076)
Cash and cash equivalents - beginning	4,058,776	2,732,362	6,791,138
Cash and cash equivalents - ending	<u>\$ 4,119,134</u>	<u>\$ 1,833,928</u>	<u>\$ 5,953,062</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (1,350,734)	\$ 214,877	\$ (1,135,857)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation and amortization expense	\$ 190,544	\$ 818,636	\$ 1,009,180
Amortization of closure and postclosure costs	1,390,950	-	1,390,950
(Increase) decrease in accounts receivable	(18,165)	(47,404)	(65,569)
Increase (decrease) in accounts payable	4,247	(224,673)	(220,426)
Increase in accrued leave	2,401	-	2,401
Total adjustments	<u>\$ 1,569,977</u>	<u>\$ 546,559</u>	<u>\$ 2,116,536</u>
Net cash provided (used) by operating activities	<u>\$ 219,243</u>	<u>\$ 761,436</u>	<u>\$ 980,679</u>

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

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011

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

Financial Statement Presentation

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

Government-wide and Fund Financial Statements

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

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

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

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

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

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

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

A. Financial Reporting Entity

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

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

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, 2010 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.

2. Discretely Presented Component Units

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

The Greenville 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 Greenville County Circle, Emporia, Virginia 23847.

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

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

C. Other Related Organizations:

Included in the County's Financial Report

None

Excluded from the County's Financial Report:

Meherrin Regional Library

The Meherrin Regional Library is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. The counties of Greenville, Brunswick and the City of Emporia provide the financial support for the Library and appoint its governing Board, in which is vested the ability to execute contracts and to budget and expend funds. The County appoints two (2) of the ten (10) members of the Board.

District 19 Community Services Board

The Board was created by resolution pursuant to state statute and is considered a jointly governed organization and therefore its operations are not included in the county's financial statements. The County appoints two of the Board members; however, the County cannot impose its will on the Board since it does not have the ability to modify or approve the budget or overrule or modify the decisions of the Board. The Board is fiscally independent and there is no financial benefit or burden relationship with the County. Therefore, it is not included in the County's financial statements.

Southside Regional Jail Authority

The Authority was created in 1995 to develop, construct, operate and maintain the regional jail known as Southside Regional Jail Authority. The Jail's service area includes the County of Greenville and the City of Emporia. The Authority is governed by a Board of Directors appointed by the Board of Supervisors of the County of Greenville and City of Emporia, Virginia. The Board of Directors has appointed the Treasurer of Greenville County to serve as fiscal agent. The Board is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. The County cannot impose its will on the Board since it does not have the ability to modify or approve the budget or overrule or modify decisions of the Authority. The Authority is fiscally independent and there is no financial benefit or burden relationship with the County. Therefore, it is not included in the County's financial statements.

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

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

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

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

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

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

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

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

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

1. Governmental Funds

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

a. General Fund

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

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

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

1. Governmental Funds: (Continued)

b. Capital Projects Fund

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

c. Proprietary Fund

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

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

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

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

E. Budgets and Budgetary Accounting

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

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

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

E. Budgets and Budgetary Accounting: (Continued)

4. The Appropriations Resolution places legal restrictions on expenditures at the department level or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund and the General Capital Projects Funds of the primary government and the School Fund, School Cafeteria Fund and School Capital Projects of the School Board.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all county units.
8. All budgetary data presented in the accompanying financial statements is the original to the current comparison of the final budget and actual results.

F. Cash and Cash Equivalents

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

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

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

G. Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$257,360 at June 30, 2011 and is comprised solely of property taxes.

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

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

H. Capital Assets

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Interest attributable to capitalized assets as of June 30, 2011 was immaterial.

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

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

I. Compensated Absences

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

J. Long-term Obligations

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

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

J. Long-term Obligations: (Continued)

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

K. 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	\$	463,821
Series 2003 Lease Revenue Bond		<u>395,848</u>
Total restricted cash, Exhibit 3	\$	859,669
School Board:		
Unspent bond proceeds, school capital projects		4,189
Restricted cash, school capital projects		<u>237,929</u>
Total County and School Board	\$	<u><u>1,101,787</u></u>

N. Fund Balances

Financial Policies

The Board of Supervisors meets on a monthly basis to manage and review cash financial activities and to insure 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.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

N. Fund Balances: (Continued)

Financial Policies

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	\$ 215,149
Designated for new cell development	1,294,537
Designated for postclosure monitoring	1,132,243
Designated for landfill closure	<u>1,416,846</u>
Total designated cash	<u>\$ 4,058,775</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (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, 2011 were rated by Standard & Poor’s and the ratings are presented below using Standard & Poor’s rating scale.

<u>Locality's Rated Debt Investments' Values</u>	
<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>
	<u>AAA</u>
U.S. Agencies Money Market	\$ 881,003
Local Government Investment Pool	<u>364,114</u>
Total	<u>\$ 1,245,117</u>

External Investment Pools:

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

Other

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

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

Discretely Presented Component Unit-Greenville County Industrial Development Authority

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

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 3—Due From/To Other Governmental Units:

At June 30, 2011 the County has receivables and payables from and to other governments as follows:

	<u>Receivables</u>	<u>Payables</u>
Primary Government:		
Commonwealth of Virginia:		
Local Sales Tax	\$ 81,009	\$ -
Communications Tax	28,117	-
Other State Funds	140,734	-
Total due from Commonwealth of Virginia	<u>\$ 249,860</u>	<u>\$ -</u>
Federal government:		
Energy Conservation Grant	\$ 26,422	\$ -
Total Due From Other Governmental Units	<u>\$ 276,282</u>	<u>\$ -</u>
Discretely Presented Component Units:		
School Board:		
State Sales Tax	\$ 375,465	\$ -
School Funds	2,971	-
Federal School Funds	<u>1,167,859</u>	<u>-</u>
Total School Board	<u>\$ 1,546,295</u>	<u>\$ -</u>
Department of Social Services:		
State Public assistance	\$ 63,249	\$ -
State Comprehensive Services Act	40,342	-
Federal Public assistance	<u>119,284</u>	<u>-</u>
Total Department of Social Services	<u>\$ 222,875</u>	<u>\$ -</u>
Total Discretely Presented Component Units	<u>\$ 1,769,170</u>	<u>\$ -</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 4—Capital Assets:

Primary Government:

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,295,528	\$ -	\$ -	\$ 1,295,528
Construction in progress	17,604,424	1,972,289	18,552,431	1,024,282
Total capital assets not being depreciated	<u>\$ 18,899,952</u>	<u>\$ 1,972,289</u>	<u>\$ 18,552,431</u>	<u>\$ 2,319,810</u>
Capital assets being depreciated:				
Buildings	\$ 15,285,748	\$ 5,355,760	\$ -	\$ 20,641,508
Land Improvements	1,416,126	-	-	1,416,126
Equipment	2,310,222	112,934	166,341	2,256,815
Jointly owned assets	6,197,369	13,512,555	1,273,295	18,436,629
Total capital assets being depreciated	<u>\$ 25,209,465</u>	<u>\$ 18,981,249</u>	<u>\$ 1,439,636</u>	<u>\$ 42,751,078</u>
Less accumulated depreciation for:				
Buildings	\$ 2,882,210	\$ 516,038	\$ -	\$ 3,398,248
Land Improvements	202,268	70,806	-	273,074
Equipment	1,967,640	190,564	166,341	1,991,863
Jointly owned assets	2,161,461	460,916	272,927	2,349,450
Total accumulated depreciation	<u>\$ 7,213,579</u>	<u>\$ 1,238,324</u>	<u>\$ 439,268</u>	<u>\$ 8,012,635</u>
Total capital assets being depreciated, net	<u>\$ 17,995,886</u>	<u>\$ 17,742,925</u>	<u>\$ 1,000,368</u>	<u>\$ 34,738,443</u>
Governmental activities capital assets, net	<u>\$ 36,895,838</u>	<u>\$ 19,715,214</u>	<u>\$ 19,552,799</u>	<u>\$ 37,058,253</u>
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 441,589	\$ -	\$ -	\$ 441,589
Construction in progress	1,210,188	343,919	1,474,295	79,812
Total capital assets not being depreciated	<u>\$ 1,651,777</u>	<u>\$ 343,919</u>	<u>\$ 1,474,295</u>	<u>\$ 521,401</u>
Capital assets being depreciated:				
Infrastructure	\$ 37,634,180	\$ 1,474,295	\$ -	\$ 39,108,475
Buildings and other improvements	2,803,808	-	-	2,803,808
Equipment	2,013,006	200,055	-	2,213,061
Total capital assets being depreciated	<u>\$ 42,450,994</u>	<u>\$ 1,674,350</u>	<u>\$ -</u>	<u>\$ 44,125,344</u>
Less accumulated depreciation	12,451,840	987,657	-	13,439,497
Total capital assets being depreciated, net	<u>\$ 29,999,154</u>	<u>\$ 686,693</u>	<u>\$ -</u>	<u>\$ 30,685,847</u>
Business-type activities, net	<u>\$ 31,650,931</u>	<u>\$ 1,030,612</u>	<u>\$ 1,474,295</u>	<u>\$ 31,207,248</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 4—Capital Assets: (Continued)

Discretely Presented Component Unit School Board:

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
Capital assets not being depreciated:				
Land	\$ 442,775	\$ -	\$ -	\$ 442,775
Construction in progress	<u>455,703</u>	<u>841,704</u>	<u>-</u>	<u>1,297,407</u>
Total capital assets not being depreciated	<u>\$ 898,478</u>	<u>\$ 841,704</u>	<u>\$ -</u>	<u>\$ 1,740,182</u>
Capital assets being depreciated:				
Buildings	\$ 21,993,679	\$ 13,512,555	\$ -	\$ 35,506,234
Equipment	3,554,968	208,045	-	3,763,013
Jointly owned assets	<u>(6,197,369)</u>	<u>1,273,295</u>	<u>13,512,555</u>	<u>(18,436,629)</u>
Total capital assets being depreciated	<u>\$ 19,351,278</u>	<u>\$ 14,993,895</u>	<u>\$ 13,512,555</u>	<u>\$ 20,832,618</u>
Less accumulated depreciation for:				
Buildings	\$ 9,362,471	\$ 839,648	\$ -	\$ 10,202,119
Equipment	2,061,345	350,494	-	2,411,839
Jointly owned assets	<u>(2,161,461)</u>	<u>272,927</u>	<u>460,916</u>	<u>(2,349,450)</u>
Total accumulated depreciation	<u>\$ 9,262,355</u>	<u>\$ 1,463,069</u>	<u>\$ 460,916</u>	<u>\$ 10,264,508</u>
Total capital assets being depreciated, net	<u>\$ 10,088,923</u>	<u>\$ 13,530,826</u>	<u>\$ 13,051,639</u>	<u>\$ 10,568,110</u>
Governmental activities capital assets, net	<u><u>\$ 10,987,401</u></u>	<u><u>\$ 14,372,530</u></u>	<u><u>\$ 13,051,639</u></u>	<u><u>\$ 12,308,292</u></u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 4—Capital Assets: (Continued)

Discretely Presented Component Unit Department of Social Services

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
Capital assets being depreciated:				
Equipment	\$ 136,260	\$ -	\$ -	\$ 136,260
Less accumulated depreciation for:				
Equipment	\$ 133,079	\$ 3,181	\$ -	\$ 136,260
Total capital assets being depreciated, net	<u>\$ 3,181</u>	<u>\$ (3,181)</u>	<u>\$ -</u>	<u>\$ -</u>

Discretely Presented Component Unit Industrial Development Authority:

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
Capital assets being depreciated:				
Buildings	\$ 4,012,951	\$ -	\$ -	\$ 4,012,951
Less accumulated depreciation for:				
Buildings	\$ 493,793	\$ 72,536	\$ -	\$ 566,329
Total accumulated depreciation	<u>\$ 493,793</u>	<u>\$ 72,536</u>	<u>\$ -</u>	<u>\$ 566,329</u>
Total capital assets being depreciated, net	<u>\$ 3,519,158</u>	<u>\$ (72,536)</u>	<u>\$ -</u>	<u>\$ 3,446,622</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 4—Capital Assets: (Continued)

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

Governmental activities:

General government administration	\$	470,831
Judicial administration		19,580
Public safety		148,428
Public works		12,572
Education		460,916
Community development		<u>125,997</u>
Total	\$	<u><u>1,238,324</u></u>
Business-Type activities	\$	<u><u>987,657</u></u>
Component Unit-School Board	\$	<u><u>1,190,142</u></u>
Component Unit-School Department of Social Services	\$	<u><u>3,181</u></u>
Component Unit-School Industrial Development Authority	\$	<u><u>72,536</u></u>

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

<u>Fund</u>	<u>Due From Primary Government/ Component Unit</u>	<u>Due To Primary Government/ Component Unit</u>
Primary Government:		
Governmental Funds	\$ 1,312,448	\$ -
Discretely Presented Component Units:		
School Board:		
School Operating Fund	-	591,812
Department of Social Services:		
Virginia Public Assistance Fund	<u>-</u>	<u>720,636</u>
Total	\$ <u><u>1,312,448</u></u>	\$ <u><u>1,312,448</u></u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 6—Long-Term Debt:

Primary Government—Governmental Activities:

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

Year Ending June 30,	Primary Government					
	Total Revenue Bonds		VPSA Bonds		Note payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 560,739	\$ 693,504	\$ 798,468	\$ 316,390	\$ 63,081	\$ 62,007
2013	635,604	674,043	800,562	277,277	65,749	59,339
2014	839,558	645,776	808,166	236,246	68,530	56,558
2015	878,606	608,545	816,312	194,309	71,429	53,659
2016	917,753	568,971	824,893	152,664	74,450	50,638
2017	958,005	527,339	833,971	110,452	77,600	47,489
2018	998,362	466,172	843,575	67,715	80,882	44,206
2019	1,049,834	437,961	160,000	43,289	84,303	40,785
2020	1,096,425	389,370	45,000	40,356	87,869	37,219
2021	759,141	348,841	45,000	40,356	91,586	33,503
2022	786,987	316,905	45,000	40,356	95,460	29,629
2023	826,971	282,898	45,000	40,356	99,498	25,591
2024	862,098	247,241	45,000	40,356	103,706	21,382
2025	848,530	210,792	45,000	40,356	108,093	16,996
2026	865,000	175,235	45,000	40,356	112,665	12,423
2027	899,000	138,379	45,000	40,356	117,431	7,658
2028	939,000	99,884	-	-	120,516	417
2029	559,000	59,780	-	-	-	-
2030	45,000	36,059	-	-	-	-
2031	50,000	34,100	-	-	-	-
2032	50,000	32,028	-	-	-	-
2033	55,000	29,716	-	-	-	-
2034	55,000	27,172	-	-	-	-
2035	60,000	24,513	-	-	-	-
2036	60,000	21,738	-	-	-	-
2037	65,000	18,847	-	-	-	-
2038	70,000	15,725	-	-	-	-
2039	70,000	12,488	-	-	-	-
2040	75,000	9,134	-	-	-	-
2041	80,000	5,550	-	-	-	-
2042	80,000	1,850	-	-	-	-
Total	\$ <u>16,095,613</u>	\$ <u>7,160,555</u>	\$ <u>6,245,947</u>	\$ <u>1,721,190</u>	\$ <u>1,522,848</u>	\$ <u>599,499</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 6—Long-Term Debt: (Continued)

Primary Government—Business-Type Activities:

Year Ending June 30,	Primary Government					
	Capital Leases		Literary Loans		USDA Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 72,850	\$ 5,651	\$ 475,000	\$ 141,000	\$ 13,626	\$ 137,918
2013	52,682	2,850	475,000	130,500	25,006	136,654
2014	22,700	505	375,000	120,000	26,484	135,176
2015	-	-	375,000	112,500	27,650	134,010
2016	-	-	375,000	105,000	28,867	132,793
2017	-	-	375,000	97,500	29,775	131,885
2018	-	-	375,000	90,000	31,449	130,211
2019	-	-	375,000	82,500	32,834	128,826
2020	-	-	375,000	75,000	34,280	127,380
2021	-	-	375,000	67,500	35,442	126,218
2022	-	-	375,000	60,000	37,351	124,309
2023	-	-	375,000	52,500	38,996	122,664
2024	-	-	375,000	45,000	40,714	120,946
2025	-	-	375,000	37,500	42,178	119,482
2026	-	-	375,000	30,000	44,366	117,294
2027	-	-	375,000	22,500	46,321	115,339
2028	-	-	375,000	15,000	48,362	113,298
2029	-	-	375,000	7,500	50,186	111,474
2030	-	-	-	-	52,704	108,956
2031	-	-	-	-	55,027	106,633
2032	-	-	-	-	57,452	104,208
2033	-	-	-	-	59,704	101,956
2034	-	-	-	-	62,616	99,044
2035	-	-	-	-	65,376	96,284
2036	-	-	-	-	68,258	93,402
2037	-	-	-	-	71,018	90,642
2038	-	-	-	-	74,399	87,261
2039	-	-	-	-	77,680	83,980
2040	-	-	-	-	81,105	80,555
2041	-	-	-	-	84,469	77,191
2042	-	-	-	-	88,407	73,253
2043	-	-	-	-	92,306	69,354
2044	-	-	-	-	96,377	65,283
2045	-	-	-	-	100,461	61,199
2046	-	-	-	-	105,060	56,600
2047	-	-	-	-	109,695	51,965
2048	-	-	-	-	90,062	47,126
2049	-	-	-	-	45,844	43,285
2050	-	-	-	-	47,941	41,188
2051	-	-	-	-	871,363	39,118
Total	\$ <u>148,232</u>	\$ <u>9,005</u>	\$ <u>6,950,000</u>	\$ <u>1,291,500</u>	\$ <u>3,091,213</u>	\$ <u>3,944,358</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 6—Long-Term Debt: (Continued)

Primary Government—Business-Type Activities: (Continued)

Year Ended Sept. 30,	Water and Sewer Revenue Bonds					
	2004		2002 Refunding		1992	
	Principal	Interest	Principal	Interest	Principal	
2011	\$ 15,000	\$ 20,210	\$ 270,000	\$ 147,177	100,000	
2012	15,000	19,708	285,000	134,380	100,000	
2013	15,000	19,168	295,000	120,942	100,000	
2014	15,000	18,628	315,000	105,310	-	
2015	15,000	18,086	325,000	90,536	-	
2016	15,000	17,422	340,000	76,481	-	
2017	15,000	16,808	355,000	61,273	-	
2018	15,000	16,192	370,000	45,093	-	
2019	15,000	15,578	390,000	27,751	-	
2020	15,000	14,962	405,000	9,366	-	
2021	15,000	14,346	-	-	-	
2022	15,000	13,714	-	-	-	
2023	20,000	13,080	-	-	-	
2024	20,000	12,210	-	-	-	
2025	20,000	11,314	-	-	-	
2026	20,000	10,294	-	-	-	
2027	20,000	9,276	-	-	-	
2028	20,000	8,330	-	-	-	
2029	20,000	7,384	-	-	-	
2030	25,000	6,440	-	-	-	
2031	25,000	5,290	-	-	-	
2032	30,000	4,140	-	-	-	
2033	30,000	2,760	-	-	-	
2034	30,000	1,385	-	-	-	
Total	\$ <u>460,000</u>	\$ <u>296,725</u>	\$ 3,350,000	\$ <u>818,309</u>	300,000	
Premium on bonds payable			32,650		-	
Less deferred amount on refunding			(132,234)		-	
Less unamortized discount on bond issuance			-		(105,823)	
Total			\$ <u>3,250,416</u>		\$ <u>194,177</u>	

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 6—Long-Term Debt: (Continued)

Primary Government—Business-Type Activities: (Continued)

Year Ended Sept. 30,	Infrastructure Revenue Bonds		Loan Payable		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 145,000	\$ 188,909	\$ 10,773	\$ 5,994	\$ 18,287	299
2012	150,000	184,819	11,154	5,613	-	-
2013	150,000	181,519	11,547	5,220	-	-
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	\$ 4,270,000	\$ 2,429,384	\$ 173,925	\$ 43,990	\$ 18,287	299
Premium on bonds payable	358,137					
Total	\$ 4,628,137					

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 6—Long-Term Debt: (Continued)

Changes in Long-term Debt:

Primary Government—Governmental Activities:

The following is a summary of long-term debt transactions of the County for the year ended June 30, 2011:

	<u>Amounts Payable at July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Amounts Payable at June 30, 2011</u>	<u>Due Within One Year</u>
Primary Government:					
<u>Governmental Activities</u>					
Revenue bonds	\$ 15,277,573	\$ 1,355,000	\$ 536,960	\$ 16,095,613	\$ 560,739
Premium on bonds	-	61,436	-	61,436	2,048
USDA loans	1,068,179	2,074,601	51,567	3,091,213	13,626
Note payable	1,583,369	-	60,521	1,522,848	63,081
Capital leases	249,682	-	101,450	148,232	72,850
Literary loans	7,425,000	-	475,000	6,950,000	475,000
VPSA bonds	6,272,369	760,000	786,422	6,245,947	798,468
Other Post-Employment benefits	31,966	22,634	4,400	50,200	-
Compensated absences	228,130	22,149	-	250,279	25,028
Total Governmental Activities	<u>\$ 32,136,268</u>	<u>\$ 4,295,820</u>	<u>\$ 2,016,320</u>	<u>\$ 34,415,768</u>	<u>\$ 2,010,840</u>
<u>Business-Type Activities</u>					
Revenue bonds	\$ 9,117,278	\$ 4,435,000	\$ 5,278,101	\$ 8,274,177	\$ 517,308
Capital leases	73,265	-	54,978	18,287	18,287
Premium on bonds payable	35,860	376,986	22,059	390,787	22,059
Deferred amount on refunding	(145,458)	13,224	-	(132,234)	(13,223)
Loans payable	184,331	-	10,406	173,925	10,773
Landfill closure and postclosure liability	2,685,232	1,390,950	-	4,076,182	-
Other Post-Employment benefits	5,000	6,789	1,800	9,989	-
Compensated absences	212,632	2,401	3,490	211,543	21,154
Total Business-Type Activities	<u>\$ 12,168,140</u>	<u>\$ 6,225,350</u>	<u>\$ 5,370,834</u>	<u>\$ 13,022,656</u>	<u>\$ 576,358</u>
Component Unit School Board					
Other Post-Employment benefits	<u>\$ 106,595</u>	<u>\$ 83,005</u>	<u>\$ 68,200</u>	<u>\$ 121,400</u>	<u>\$ -</u>
Component Unit Industrial Development Authority					
Notes payable	\$ 1,627,462	\$ 1,139,000	\$ 179,122	\$ 2,587,340	\$ 161,520
Line of credit	820,594	-	820,594	-	-
Total Industrial Development Authority	<u>\$ 2,448,056</u>	<u>\$ 1,139,000</u>	<u>\$ 999,716</u>	<u>\$ 2,587,340</u>	<u>\$ 161,520</u>
Component Unit Department of Social Services					
Compensated absences	<u>\$ 191,553</u>	<u>\$ 26,727</u>	<u>\$ -</u>	<u>\$ 218,280</u>	<u>\$ 21,828</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 6—Long-Term Debt: (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 at \$375,000 principal over the next 20 years through 2029, plus interest payable at 2%	\$ 6,750,000
Authorized \$2,000,000, issued December 1992 payable at \$100,000 principal over the next 20 years through 2013, plus interest at \$3 per annum	200,000
Sub-total State Literary Fund Loans	<u>\$ 6,950,000</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	\$ 1,975,947
Authorized \$760,000 QSC Bonds, Series 2010-1, issued July 1, 2010, payable at \$85,356 annually through 2028, plus interest paid semi-annually and reimbursed by a federal tax credit equal to the interest paid.	720,000
Authorized \$7,570,000 General Obligation Bonds, Series 1998-A, issued May 1, 1998, payable at various levels from \$375,000 to \$380,000 annually through 2018, plus interest paid semi-annually at rates varying from 5.35% to 5.60%	2,630,000
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%	920,000
Subtotal Virginia Public School Authority Bonds	<u>\$ 6,245,947</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%	\$ 2,665,000
Authorized \$6,375,000 lease revenue bonds, issued June 19, 2007, payable at various amounts from \$175,943 to \$535,640 annually through fiscal year 2029, plus interest paid semi-annually at 4.21%	6,320,000
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%	472,798
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%	222,815

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 6—Long-Term Debt: (Continued)

Details of Long-term Indebtedness: (Continued)

	<u>Amount Outstanding</u>
Primary Government--Governmental Activities: (Continued)	
Revenue Bonds: (Continued)	
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%.	\$ 1,355,000
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%.	371,530
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%.	1,425,600
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>5,060,000</u>
Sub-total Revenue Bonds	\$ <u>17,892,743</u>
USDA Loan:	
Authorized \$1,345,650 USDA Rural Development bonds, issued June 30, 2009, payable at \$48,115 annually through fiscal year 2049, plus interest paid at 4.375%	\$ <u>1,294,083</u>
Capital Leases:	
Lease purchase agreement entered into jointly with the City of Emporia payable annually in the amount of \$23,070, including interest at a rate of 2.49% through fiscal year 2012, for the purchase of a fire tanker.	\$ 22,515
Lease purchase agreement dated February 6, 2008 with USDA Rural Development payable for 60 months through June 30, 2013 at a monthly payment of \$751, including interest at a rate of 4.1% for the purchase of a animal control vehicle.	17,056
Lease purchase agreement of \$200,000 dated December 1, 2008 with Comvest payable semi-annually for 6 years through June 30, 2014 at semi-annual payment of \$23,204, including interest at a rate of 4.1% for the purchase of a fire truck.	<u>108,661</u>
Sub-total Capital Leases	\$ <u>148,232</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>1,522,848</u>
Compensated Absences	\$ <u>250,279</u>
Premium on bonds payable	\$ <u>61,436</u>
Other Post-Employment Benefits	\$ <u>50,200</u>
Total Primary Government-Governmental Activities	<u>\$ 34,415,768</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 6—Long-Term Debt: (Continued)

Details of Long-term Indebtedness: (Continued)

	<u>Amount Outstanding</u>
Primary Government--Business-Type Activities:	
Solid Waste Fund:	
Accrued landfill closure & postclosure liability	\$ <u>4,076,182</u>
Accrued compensated absences	\$ <u>18,659</u>
Water and Sewer Authority:	
Notes Payable:	
\$235,629 Water & Sewer loan payable issued May 30, 2003, due in semi-annual payments of principal and interest of \$8,387, through September 1, 2023, interest at 3.50%	\$ <u>173,925</u>
Capital Leases:	
\$78,280 capital lease issued December 11, 2006, due in monthly payments of principal and interest of \$2,323 through May 23, 2011, interest at \$4.35%.	\$ <u>18,287</u>
Revenue Bonds Payable:	
\$4,935,000 Water & Sewer Refunding Revenue Bonds series 2002B issued November 5, 2002, due in various semi-annual installments of principal and interest through October 1, 2019, interest payable semi-annually	\$ 3,350,000
Premiums on bonds payable	390,787
Deferred amount on refunding	(132,234)
\$2,000,000 Water & Sewer Revenue Bonds series 1992 issued June 26, 1992, due in semi-annual payments of \$50,000 through 2013 (less unamortized discount based on interest imputed at 5%)	194,177
\$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, interest payable semi-annually.	4,270,000
\$515,000 Water and Sewer Revenue Bonds Series 2004B, issued October 27, 2004, due in various semi-annual payments of \$50,000 through 2013 (less unamortized discount based on interest imputed at 5%)	<u>460,000</u>
Total revenue bonds outstanding	\$ <u>8,532,730</u>
Other Post-Employment benefits	9,989
Accrued compensated absences	\$ <u>192,884</u>
Total Primary Government--Business-Type Activities	\$ <u>13,022,656</u>
Total Primary Government	\$ <u>47,438,424</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 6—Long-Term Debt: (Continued)

Details of Long-term Indebtedness: (Continued)

	<u>Amount Outstanding</u>
<u>Discretely Presented Component Unit-School Board</u>	
Other Post-Employment benefits	\$ 121,400
Total long-term debt payable, School Board	<u>\$ 121,400</u>
<u>Department of Social Services:</u>	
Accrued compensated absences	\$ 218,280
Total long-term debt payable, Department of Social Services	<u>\$ 218,280</u>
<u>Discretely Presented Component Unit-Industrial</u>	
<u>Development Authority of Greensville County, Virginia:</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 Greensville. Interest shall accrue on the unpaid principal balance of this Note at 8.67% per annum until March 31, 2000, at which time the interest rate will be adjusted to equal the then existing weekly average yield on U. S. Treasury securities, adjusted to a constant maturity of three years plus 2.255 per annum. Accrued interest shall be payable quarterly on the first day of each calendar quarter beginning July 1, 1998.	\$ 1,111,759
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%.	239,627
On April 23, 2008, the Authority entered into a note payable agreement in the amount ok \$189,000. Proceeds are to be used for wetlands mitigation. Payments are due monthly in the amount of \$1,914 through March 30, 2018, interest at 4.00%.	135,642
On July 19, 2010, the Authority entered in a note payable agreement in the amount of \$825,000 with the Greensville 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%.	799,292
On December 20, 2010, the Authority entered into a note payable agreement in the amount of \$314,000 with the Greensville County Water and Sewer Authority. The proceeds were used to finance the purchase of the Phoenix Building on behalf of the County of Greensville as short-term financing. The County will issue bonds to repay the Authority and finance other improvements to the property. Payments are due monthly in the amount of \$3,161 through December 15, 2020, interest at 3.88%.	<u>301,020</u>
Total long-term debt Industrial Development Authority	\$ <u>2,587,340</u>
Total long-term debt, reporting entity	<u>\$ 50,365,444</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 7—Defined Benefit Pension Plan:

A. Plan Description:

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

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

VRS administers two defined benefit plans for local government employees - Plan 1 and Plan 2:

- Members hired before July 1, 2010 and who have service credits before July 1, 2010 are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of service credit or age 50 with at least 30 years of service credit. They may retire with a reduced benefit early at age 55 with at least 10 years of service credit or age 50 with at least five years of service credit.
- Members hired or rehired on or after July 1, 2010 and who have no service credits before July 1, 2010 are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of service credit.
- Eligible hazardous duty members in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. These members include sheriffs, deputy sheriffs and hazardous duty employees of political subdivisions that have elected to provide enhanced coverage for hazardous duty service. They may retire with a reduced benefit as early as age 50 with at least five years of service credit. All other provisions of the member's plan apply.

The VRS Basic Benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the member's average final compensation multiplied by the member's total service credit. Under Plan 1, average final compensation is the average of the member's 36 consecutive months of highest compensation. Under Plan 2, average final compensation is the average of the member's 60 consecutive months of highest compensation. The retirement multiplier for non-hazardous duty members is 1.70%. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier for eligible political subdivision hazardous duty employees other than sheriffs and jail superintendents is 1.70% or 1.85% as elected by the employer. At retirement, members can elect the Basic Benefit, the Survivor Option, a Partial Lump-Sum Option Payment (PLOP) or the Advance Pension Option. A retirement reduction factor is applied to the Basic Benefit amount for members electing the Survivor Option, PLOP or Advance Pension Option or those retiring with a reduced benefit.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 7—Defined Benefit Pension Plan: (Continued)

A. Plan Description: (Continued)

Retirees are eligible for an annual cost-of-living adjustment (COLA) effective July 1 of the second calendar year of retirement. Under Plan 1, the COLA cannot exceed 5.00%; under Plan 2, the COLA cannot exceed 6.00%. During years of no inflation or deflation, the COLA is 0.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The system issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of the report may be obtained from the VRS Web site at <http://www.varetire.org/Pdf/Publications/2010-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. In addition, the County and School Board are required to contribute the remaining amounts necessary to fund 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's non-professional employee contribution rates for the fiscal year ended 2011 were 6.78% and 6.66% of annual covered payroll, respectively.

The Department of Social Services contribution rate for the fiscal year ended 2011 was 9.38% of annual covered payroll.

The School Board's contributions for professional employees were \$472,364, \$840,589 and \$1,128,094, to the teacher cost-sharing pool for the fiscal years ended June 30, 2011, 2010 and 2009, respectively. The contribution rate was 8.81% in 2009, 8.81% from July 2009 through March 2010, zero (0.00%) for April through June 2010 and 3.93% in 2011.

C. Annual Pension Cost

For fiscal year 2011, the County's annual pension cost of \$263,601 was equal to the County's required and actual contributions.

For fiscal year 2011, the County and School Board's annual pension cost for the Board's non-professional employees was \$71,094, which was equal to the Board's required and actual contributions.

For fiscal year 2011, the Social Services Department's annual pension cost for the Department's employees was \$92,647, which was equal to the Department's required and actual contributions.

Three-Year Trend Information for County - Primary Government

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/09	\$ 120,309	100%	\$ -
6/30/10	118,826	100%	-
6/30/11	263,601	100%	-

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 7—Defined Benefit Pension Plan: (Continued)

C. Annual Pension Cost: (Continued)

Three-Year Trend Information for School Board (Non-professional)			
Fiscal Year Ending	Annual Pension Cost (APC) (1)	Percentage of APC Contributed	Net Pension Obligation
6/30/09	\$ 80,569	100%	\$ -
6/30/10	82,895	100%	-
6/30/11	71,094	100%	-

Three-Year Trend Information for Greensville-Emporia Department of Social Services			
Fiscal Year Ending	Annual Pension Cost (APC) (1)	Percentage of APC Contributed	Net Pension Obligation
6/30/09	\$ 59,679	100%	\$ -
6/30/10	61,996	100%	-
6/30/11	92,647	100%	-

The required contribution was determined as part of the June 30, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2009 included (a) an investment rate of return (net of administrative expenses) of 7.50%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the City's and the School Board's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The City and School Board's unfunded actuarial accrued liabilities are being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2009 was 20 years.

D. Funded Status and Funding Progress:

As of June 30, 2010, the most recent actuarial valuation date, the County's plan was 86.77% funded. The actuarial accrued liability for benefits was \$16,513,418, and the actuarial value of assets was \$14,328,838, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,184,580. The covered payroll (annual payroll of active employees covered by the plan) was \$3,829,403, and ratio of the UAAL to the covered payroll was 57.05%.

As of June 30, 2010, the most recent actuarial valuation date, the County School Board's plan was 84.30% funded. The actuarial accrued liability for benefits was \$5,650,682, and the actuarial value of assets was \$4,763,492, resulting in an unfunded actuarial accrued liability (UAAL) of \$887,190. The covered payroll (annual payroll of active employees covered by the plan) was \$1,187,574 and ratio of the UAAL to the covered payroll was 74.71%.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 7—Defined Benefit Pension Plan: (Continued)

D. Funded Status and Funding Progress: (Continued)

As of June 30, 2010, the most recent actuarial valuation date, the Department's plan was 75.25% funded. The actuarial accrued liability for benefits was \$6,605,086, and the actuarial value of assets was \$4,970,301, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,634,785. The covered payroll (annual payroll of active employees covered by the plan) was \$951,163, and ratio of the UAAL to the covered payroll was 171.87%.

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.

Note 8—Deferred Revenue:

Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Deferred revenue in the fund totaling \$7,315,462 is comprised of the following:

Primary Government:

- A. Deferred Property Tax Revenue - Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$7,306,854 at June 30, 2011.
- B. Prepaid Property Taxes - Property taxes due subsequent to June 30, 2010 but paid in advance by the taxpayers totaled \$8,608 at June 30, 2011.

Note 9—Landfill Closure and Postclosure Care Cost:

State and federal laws and regulations require the County to place a final cover on its Greenville landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as each balance sheet date. The \$4,076,182 reported as landfill closure and postclosure care liability at June 30, 2011 represents the cumulative amount reported based on the use of 39 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$6,340,728 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, \$2,549,089 has been designated in the Solid Waste Fund for payment of future closure and postclosure care costs.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 10—Commitments and Contingencies:

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

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

Note 11—Risk Management:

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 12—Litigation:

At June 30, 2011, there were no matters of litigation involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to such entities.

Note 13—City/County School Cost Agreement:

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

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 14—Surety Bonds:

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

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

Note 15—Other Post-Employment Benefits Program:

County:

Background

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

A. Plan Description:

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

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 15—Other Post-Employment Benefits Program:

County: (Continued)

Background: (Continued)

B. Funding Policy:

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

C. Annual OPEB Cost and Net OPEB Obligation:

The annual cost of other post-employment benefits (OPEB) under GASB 45 is calculated based on the annual required contribution or ARC. The estimated pay as you go cost for OPEB benefits is \$27,400 for fiscal year 2011. The County paid \$11,400 towards this obligation during the fiscal year. The ARC is an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County’s annual OPEB cost for the year, the amount actually contributed to the plan and change’s to the net OPEB obligation:

Annual required contribution	\$	22,600
Interest on net OPEB obligation		1,300
Adjustment to annual required contribution		(1,266)
Annual OPEB cost (expense)	\$	<u>22,634</u>
Estimated contributions made		(4,400)
Increase in net OPEB obligation	\$	<u>18,234</u>
Net OPEB obligation - beginning of year	\$	<u>31,966</u>
Net OPEB obligation - end of year	\$	<u><u>50,200</u></u>

Annual OPEB Cost

For 2011, the County’s cash payment of \$11,400 was \$15,966 less than the OPEB cost. The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009, 2010, and 2011 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual APEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2009	\$ 27,400	41.61%	\$ 16,000
June 30, 2010	27,366	41.66%	31,966
June 30, 2011	22,634	19.44%	50,200

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

County: (Continued)

D. Funded Status and Funding Progress

The funded status of the plan as of July 1, 2010, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$	197,600
Actuarial value of plan assets	\$	-
Unfunded actuarial accrued liability	\$	197,600
Funded ratio (actuarial value of plan assets / AAL)		0%
Covered payroll (active plan members)		3,887,920
UAAL as a percentage of covered payroll		5.08%

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).

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

County: (Continued)

E. Actuarial Methods and Assumptions: (Continued)

Cost Method: (Continued)

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

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

Interest Assumptions

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

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, 2011 was thirty years.

School Board:

A. Plan Description

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

B. Funding Policy

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

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

School Board: (Continued)

C. Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	\$ 83,305
Interest on net OPEB obligation	4,200
Adjustment to annual required contribution	(4,500)
Annual OPEB cost (expense)	<u>\$ 83,005</u>
Estimated contributions made	(68,200)
Increase in net OPEB obligation	<u>\$ 14,805</u>
Net OPEB obligation - beginning of year	<u>\$ 106,595</u>
Net OPEB obligation - end of year	<u><u>\$ 121,400</u></u>

For 2011, the School Board’s cash payment of \$40,800 was \$53,295 less than the OPEB cost. The School Board’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009, 2010, and 2011 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2009	\$ 94,100	57.00%	\$ 53,300
June 30, 2010	94,095	43.36%	106,595
June 30, 2011	83,005	82.16%	121,400

D. Funded Status and Funding Progress

The funded status of the plan as of July 1, 2010 is as follows:

Actuarial accrued liability (AAL)	\$ 1,063,000
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	1,063,000
Funded ratio (actuarial value of plan assets / AAL)	-
Covered payroll (active plan members)	1,187,574
UAAL as a percentage of covered payroll	89.51%

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

School Board: (Continued)

D. Funded Status and Funding Progress: (Continued)

Funded Status and Funding Progress

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

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

In the January 1, 2008 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employers own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 10.0% initially, reduced by decrements to an ultimate rate of 5.0% after ten years. Both rates included a 2.5% inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2010 was thirty years.

Cost Method

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

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

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

School Board: (Continued)

E. Actuarial Methods and Assumptions: (Continued)

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

Interest Assumptions

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

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

A. Plan Description

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

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

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

B. Funding Policy

As a participating local political subdivision, the County is required to contribute the entire amount necessary to fund participation in the program using the actuarial basis specified by the Code of Virginia and the VRS Board of Trustees. The County's contribution rate for the fiscal year ended 2011 was .08% of annual covered payroll.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

C. OPEB Cost and Net OPEB Obligation

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

For 2011, the County’s contribution of \$3,110 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 2011 and the preceding two years are as follows:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2009	\$ 7,470	100%	\$ -
June 30, 2010	7,378	100%	-
June 30, 2011	3,110	100%	-

D. Funded Status and Funding Progress

The funded status of the plan as of September 30, 2010, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$ 70,253
Actuarial value of plan assets	54,348
Unfunded actuarial accrued liability	15,905
Funded ratio (actuarial value of plan assets / AAL)	77.36%
Covered payroll (active plan members)	3,829,403
UAAL as a percentage of covered payroll	0.42%

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

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

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

E. Actuarial Methods and Assumptions

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

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

F. Professional Employees - Discretely Presented Component Unit School Board

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

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

The School Board is required to contribute, at an actuarially determined rate, the entire amount necessary to fund participation in the program. The current rate is .60% of annual covered payroll. The School Board's contribution to VRS for the years ended June 30, 2011, 2010 and 2009 was \$72,235, \$99,302, and \$138,295, and equaled the required contributions for each year.

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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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 5,798,181	\$ 5,798,181	\$ 5,922,517	\$ 124,336
Other local taxes	1,418,926	1,419,496	1,448,405	28,909
Permits, privilege fees, and regulatory licenses	52,926	52,926	45,532	(7,394)
Fines and forfeitures	1,506,451	1,506,451	1,167,244	(339,207)
Revenue from the use of money and property	258,081	258,081	142,273	(115,808)
Charges for services	382,282	385,827	376,821	(9,006)
Miscellaneous	260,888	286,407	178,944	(107,463)
Recovered costs	1,081,228	1,081,228	1,148,196	66,968
Intergovernmental revenues:				
Commonwealth	3,243,592	3,985,096	3,548,607	(436,489)
Federal	-	450,954	482,490	31,536
Total revenues	\$ 14,002,555	\$ 15,224,647	\$ 14,461,029	\$ (763,618)
EXPENDITURES				
Current:				
General government administration	\$ 1,582,705	\$ 1,645,722	\$ 1,603,288	\$ 42,434
Judicial administration	1,059,652	1,123,536	1,136,318	(12,782)
Public safety	3,281,026	4,145,551	3,725,758	419,793
Public works	1,436,434	1,468,015	1,460,968	7,047
Health and welfare	447,984	450,352	406,688	43,664
Education	1,757,006	1,763,587	1,685,764	77,823
Parks, recreation, and cultural	256,181	274,370	246,825	27,545
Community development	1,117,318	1,917,627	1,608,990	308,637
Nondepartmental	-	-	5,265	(5,265)
Debt service:				
Principal retirement	1,316,422	1,316,422	2,011,920	(695,498)
Interest and other fiscal charges	1,498,603	1,438,805	1,170,319	268,486
Total expenditures	\$ 13,753,331	\$ 15,543,987	\$ 15,062,103	\$ 481,884
Excess (deficiency) of revenues over (under) expenditures	\$ 249,224	\$ (319,340)	\$ (601,074)	\$ (281,734)
OTHER FINANCING SOURCES (USES)				
Transfers (out)	\$ (299,200)	\$ (199,201)	\$ -	\$ 199,201
Total other financing sources and uses	\$ (299,200)	\$ (199,201)	\$ -	\$ 199,201
Net change in fund balances	\$ (49,976)	\$ (518,541)	\$ (601,074)	\$ (82,533)
Fund balances - beginning	49,976	518,541	2,885,305	2,366,764
Fund balances - ending	\$ -	\$ -	\$ 2,284,231	\$ 2,284,231

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

PRIMARY GOVERNMENT:

County Retirement Plan:

Valuation as of	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio Assets at % of AAL (2) / (3)	Annual Covered Payroll	UAAL as % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2008	\$ 14,356,744	\$ 13,827,105	\$ (529,639)	103.83%	\$ 3,786,381	-13.99%
6/30/2009	14,381,791	14,914,258	532,467	96.43%	3,914,362	13.60%
6/30/2010	14,328,838	16,513,418	2,184,580	86.77%	3,829,403	57.05%

DISCRETELY PRESENTED COMPONENT UNITS:

School Board Non-Professionals Retirement Plan:

Valuation as of	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio Assets at % of AAL (2) (3)	Annual Covered Payroll	UAAL as % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2008	\$ 4,747,185	\$ 4,928,233	\$ 181,048	96.33%	\$ 1,030,614	17.57%
6/30/2009	4,763,967	5,146,865	382,898	92.56%	1,181,911	32.40%
6/30/2010	4,763,492	5,650,682	887,190	84.30%	1,187,574	74.71%

Greensville/Emporia Department of Social Services Retirement Plan:

Valuation as of	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio Assets at % of AAL (2) (3)	Annual Covered Payroll	UAAL as % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2008	\$ 5,377,650	\$ 5,683,396	\$ 305,746	94.62%	\$ 1,064,583	28.72%
6/30/2009	5,145,054	6,013,160	868,106	85.56%	1,025,502	84.65%
6/30/2010	4,970,301	6,605,086	1,634,785	75.25%	951,163	171.87%

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

PRIMARY GOVERNMENT:

Valuation as of	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio Assets at % of AAL (2) / (3)	Annual Covered Payroll	UAAL as % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
7/1/2008 \$	- \$	201,200 \$	201,200	0.00% \$	3,931,682	5.12%
7/1/2010	-	197,600	197,600	0.00%	3,887,920	5.08%

DISCRETELY PRESENTED COMPONENT UNIT:

School Board :

Valuation as of	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio Assets at % of AAL (2) (3)	Annual Covered Payroll	UAAL as % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
7/1/2008 \$	- \$	901,600 \$	901,600	0.00% \$	1,030,614	87.48%
7/1/2010	-	1,063,000	1,063,000	0.00%	1,187,574	89.51%

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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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ 12,500	\$ 197	\$ (12,303)
Intergovernmental revenues:				
Commonwealth	-	1,631,255	15,390	(1,615,865)
Federal	4,000,000	1,275,000	50,000	(1,225,000)
Total revenues	\$ 4,000,000	\$ 2,918,755	\$ 65,587	\$ (2,853,168)
EXPENDITURES				
Current:				
Capital projects	\$ 5,699,200	\$ 6,535,405	\$ 1,746,647	\$ 4,788,758
Total expenditures	\$ 5,699,200	\$ 6,535,405	\$ 1,746,647	\$ 4,788,758
Excess (deficiency) of revenues over (under) expenditures	\$ (1,699,200)	\$ (3,616,650)	\$ (1,681,060)	\$ 1,935,590
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 199,200	\$ 199,200	\$ -	\$ (199,200)
Premium on bonds payable	-	-	61,436	61,436
Proceeds from issuance of bonds payable	1,500,000	3,087,490	3,429,601	342,111
Total other financing sources and (uses)	\$ 1,699,200	\$ 3,286,690	\$ 3,491,037	\$ 204,347
Net change in fund balances	\$ -	\$ (329,960)	\$ 1,809,977	\$ 2,139,937
Fund balances - beginning	-	329,960	(1,207,947)	(1,537,907)
Fund balances - ending	\$ -	\$ -	\$ 602,030	\$ 602,030

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Supporting Schedules

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Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2011

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	\$ 2,930,000	\$ 2,930,000	\$ 3,007,971	\$ 77,971
Real and personal public service corporation taxes	217,597	217,597	234,318	16,721
Personal property taxes	1,280,000	1,280,000	1,315,178	35,178
Mobile home taxes	25,740	25,740	22,574	(3,166)
Machinery and tools taxes	1,175,000	1,175,000	1,180,949	5,949
Penalties	105,000	105,000	100,162	(4,838)
Interest	42,500	42,500	41,336	(1,164)
Administrative fee	22,344	22,344	20,029	(2,315)
Total general property taxes	<u>\$ 5,798,181</u>	<u>\$ 5,798,181</u>	<u>\$ 5,922,517</u>	<u>\$ 124,336</u>
Other local taxes:				
Local sales and use taxes	\$ 430,000	\$ 430,000	\$ 421,342	\$ (8,658)
Consumers' utility taxes	297,090	297,090	294,761	(2,329)
Business license taxes	260,000	260,000	304,241	44,241
Franchise license taxes	1,000	1,000	1,729	729
Motor vehicle licenses	186,913	186,913	181,744	(5,169)
Taxes on recordation and wills	31,034	31,604	23,621	(7,983)
Utility consumption taxes	60,000	60,000	58,917	(1,083)
Restaurant food taxes	122,000	122,000	139,241	17,241
Transient lodging tax	30,889	30,889	22,809	(8,080)
Total other local taxes	<u>\$ 1,418,926</u>	<u>\$ 1,419,496</u>	<u>\$ 1,448,405</u>	<u>\$ 28,909</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 9,674	\$ 9,674	\$ 7,932	\$ (1,742)
Building permits	32,847	32,847	28,176	(4,671)
Transfer fees	-	-	310	310
Permits and other licenses	10,405	10,405	9,114	(1,291)
Total permits, privilege fees, and regulatory licenses	<u>\$ 52,926</u>	<u>\$ 52,926</u>	<u>\$ 45,532</u>	<u>\$ (7,394)</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 1,500,000	\$ 1,500,000	\$ 1,160,446	\$ (339,554)
Collections interest	6,451	6,451	6,798	347
Total fines and forfeitures	<u>\$ 1,506,451</u>	<u>\$ 1,506,451</u>	<u>\$ 1,167,244</u>	<u>\$ (339,207)</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 140,000	\$ 140,000	\$ 18,534	\$ (121,466)
Revenue from use of property	118,081	118,081	123,739	5,658
Total revenue from use of money and property	<u>\$ 258,081</u>	<u>\$ 258,081</u>	<u>\$ 142,273</u>	<u>\$ (115,808)</u>

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2011 (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	\$ 20,000	\$ 20,000	\$ 25,832	\$ 5,832
Landfill administration	60,000	60,000	60,000	-
Courthouse maintenance fees	41,984	41,984	36,460	(5,524)
Courthouse security fees	200,000	200,000	186,850	(13,150)
Regional jail fiscal agent fees	26,443	26,443	26,460	17
Sheriff's fees	1,117	1,117	895	(222)
Excess clerk's fees	30,000	30,000	22,057	(7,943)
Law library fees	-	1,421	1,461	40
Charges for Commonwealth's Attorney	1,077	1,077	1,384	307
Jail admission	1,661	1,661	2,179	518
Other charges	-	2,124	13,243	11,119
Total charges for services	\$ 382,282	\$ 385,827	\$ 376,821	\$ (9,006)
Miscellaneous revenue:				
Miscellaneous	\$ 199,127	\$ 214,366	\$ 115,368	\$ (98,998)
CSA reimbursement	51,825	51,825	54,876	3,051
Probation fees	9,936	20,216	8,700	(11,516)
Total miscellaneous revenue	\$ 260,888	\$ 286,407	\$ 178,944	\$ (107,463)
Recovered costs:				
Reimbursement industrial development corporation	\$ 167,265	\$ 167,265	\$ 165,622	\$ (1,643)
Reimbursement regional jail authority	-	-	7,150	7,150
School resource officer	76,034	76,034	76,413	379
Shared expenses City of Emporia	746,016	746,016	771,264	25,248
Circuit court salaries	32,608	32,608	32,390	(218)
Collection disposal fees - Schools	50,131	50,131	44,671	(5,460)
Collection disposal fees - Department of Social Services	2,936	2,936	2,225	(711)
Insurance recoveries	-	-	50	50
Other recovered costs	6,238	6,238	48,411	42,173
Total recovered costs	\$ 1,081,228	\$ 1,081,228	\$ 1,148,196	\$ 66,968
Total revenue from local sources	\$ 10,758,963	\$ 10,788,597	\$ 10,429,932	\$ (358,665)
Revenue from the Commonwealth:				
Payment in lieu of taxes	\$ 240,000	\$ 240,000	\$ 203,442	\$ (36,558)

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2011 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Noncategorical aid:				
Mobile home titling tax	\$ 16,087	\$ 16,087	\$ 13,525	\$ (2,562)
Motor vehicle rental tax	2,518	2,518	2,507	(11)
Railroad rolling stock taxes	44,000	44,000	2,297	(41,703)
State recordation tax	20,695	20,695	17,124	(3,571)
Communication sales and use taxes	180,000	180,000	184,636	4,636
Personal property tax relief funds	1,065,419	1,065,419	1,065,419	-
Total noncategorical aid	<u>\$ 1,328,719</u>	<u>\$ 1,328,719</u>	<u>\$ 1,285,508</u>	<u>\$ (43,211)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 410,103	\$ 505,542	\$ 403,784	\$ (101,758)
Sheriff	743,442	743,442	718,425	(25,017)
Commissioner of revenue	92,468	92,468	82,801	(9,667)
Treasurer	70,708	70,708	69,325	(1,383)
Registrar/electoral board	48,014	48,014	37,255	(10,759)
Clerk of the Circuit Court	220,303	220,303	204,125	(16,178)
Total shared expenses	<u>\$ 1,585,038</u>	<u>\$ 1,680,477</u>	<u>\$ 1,515,715</u>	<u>\$ (164,762)</u>
Other categorical aid:				
Animal sterilization	\$ 150	\$ 150	\$ 183	\$ 33
Southside Pretrial Services & Community Corrections	-	380,418	380,418	-
Jury reimbursement	9,021	16,792	10,130	(6,662)
Tobacco funds	-	203,000	28,000	(175,000)
Victim witness	1,862	1,937	6,093	4,156
Challenge grant	5,000	5,000	5,000	-
E911 wireless funds	35,000	35,000	38,208	3,208
DMV vehicle registration	8,802	8,802	8,432	(370)
Fire programs funds	30,000	58,502	32,171	(26,331)
Economic development funds	-	13,000	13,000	-
Asset forfeiture funds	-	13,299	22,307	9,008
Total other categorical aid	<u>\$ 89,835</u>	<u>\$ 735,900</u>	<u>\$ 543,942</u>	<u>\$ (191,958)</u>
Total categorical aid	<u>\$ 1,674,873</u>	<u>\$ 2,416,377</u>	<u>\$ 2,059,657</u>	<u>\$ (356,720)</u>
Total revenue from the Commonwealth	<u>\$ 3,243,592</u>	<u>\$ 3,985,096</u>	<u>\$ 3,548,607</u>	<u>\$ (436,489)</u>

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2011 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Homeland security grant	\$ -	\$ -	\$ 5,000	\$ 5,000
Bulletproof vest program	-	-	505	505
Community development block grant	-	301,412	293,168	(8,244)
National estuary program	-	19,159	19,159	-
Energy conservation grant	-	126,812	153,234	26,422
Law enforcement block grant	-	3,571	3,571	-
State and community highway safety grants	-	-	7,853	7,853
Total categorical aid	<u>\$ -</u>	<u>\$ 450,954</u>	<u>\$ 482,490</u>	<u>\$ 31,536</u>
Total revenue from the federal government	<u>\$ -</u>	<u>\$ 450,954</u>	<u>\$ 482,490</u>	<u>\$ 31,536</u>
Total General Fund	<u>\$ 14,002,555</u>	<u>\$ 15,224,647</u>	<u>\$ 14,461,029</u>	<u>\$ (763,618)</u>
Capital Projects Fund:				
Revenue from use of money and property:				
Revenue from use of money	<u>\$ -</u>	<u>\$ 12,500</u>	<u>\$ 197</u>	<u>\$ (12,303)</u>
Revenue from the Commonwealth:				
Categorical aid:				
Tobacco commission grants	<u>\$ -</u>	<u>\$ 1,631,255</u>	<u>\$ 15,390</u>	<u>\$ (1,615,865)</u>
Total categorical aid	<u>\$ -</u>	<u>\$ 1,631,255</u>	<u>\$ 15,390</u>	<u>\$ (1,615,865)</u>
Total revenue from the Commonwealth	<u>\$ -</u>	<u>\$ 1,631,255</u>	<u>\$ 15,390</u>	<u>\$ (1,615,865)</u>
Revenue from the federal government:				
Categorical aid:				
Community development block grant	<u>\$ 4,000,000</u>	<u>\$ 1,275,000</u>	<u>\$ 50,000</u>	<u>\$ (1,225,000)</u>
Total Capital Projects Fund	<u>\$ 4,000,000</u>	<u>\$ 2,918,755</u>	<u>\$ 65,587</u>	<u>\$ (2,853,168)</u>
Total Primary Government	<u>\$ 18,002,555</u>	<u>\$ 18,143,402</u>	<u>\$ 14,526,616</u>	<u>\$ (3,616,786)</u>

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 81,083	\$ 160,446	\$ 138,552	\$ 21,894
General and financial administration:				
County administrator	\$ 408,784	\$ 397,787	\$ 395,801	\$ 1,986
Information technology	101,476	101,946	94,203	7,743
Commissioner of revenue	264,925	260,938	259,863	1,075
Treasurer	188,126	230,048	227,817	2,231
Accounting	383,249	326,275	313,250	13,025
County attorney	60,200	80,893	86,991	(6,098)
Total general and financial administration	<u>\$ 1,406,760</u>	<u>\$ 1,397,887</u>	<u>\$ 1,377,925</u>	<u>\$ 19,962</u>
Board of elections:				
Electoral board and officials	\$ 94,862	\$ 87,389	\$ 86,811	\$ 578
Total general government administration	<u>\$ 1,582,705</u>	<u>\$ 1,645,722</u>	<u>\$ 1,603,288</u>	<u>\$ 42,434</u>
Judicial administration:				
Courts:				
Circuit court	\$ 76,932	\$ 77,259	\$ 77,229	\$ 30
General district court	19,115	21,528	15,145	6,383
Courthouse security	200,000	190,127	182,641	7,486
Law library	-	1,421	1,086	335
Special magistrates	1,850	1,751	1,665	86
Clerk of the circuit court	276,387	278,491	305,679	(27,188)
Total courts	<u>\$ 574,284</u>	<u>\$ 570,577</u>	<u>\$ 583,445</u>	<u>\$ (12,868)</u>
Commonwealth's attorney:				
Commonwealth's attorney	\$ 485,368	\$ 552,959	\$ 552,873	\$ 86
Total judicial administration	<u>\$ 1,059,652</u>	<u>\$ 1,123,536</u>	<u>\$ 1,136,318</u>	<u>\$ (12,782)</u>
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,801,417	\$ 1,892,187	\$ 1,808,048	\$ 84,139
School resource officer	101,378	103,902	103,169	733
Asset Forfeiture	-	323,184	38,818	284,366
Selective enforcement	339,788	293,411	302,473	(9,062)
Total law enforcement and traffic control	<u>\$ 2,242,583</u>	<u>\$ 2,612,684</u>	<u>\$ 2,252,508</u>	<u>\$ 360,176</u>
Fire and rescue services:				
Fire and rescue	\$ 176,926	\$ 205,277	\$ 199,552	\$ 5,725
Contributions to squads	-	28,502	28,502	-
Total fire and rescue services	<u>\$ 176,926</u>	<u>\$ 233,779</u>	<u>\$ 228,054</u>	<u>\$ 5,725</u>

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2011 (Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Correction and detention:				
Jail	\$ 564,798	\$ 564,798	\$ 560,084	\$ 4,714
Juvenile probation	30,640	26,820	26,820	-
Community corrections grant	-	445,691	409,609	36,082
Total correction and detention	<u>\$ 595,438</u>	<u>\$ 1,037,309</u>	<u>\$ 996,513</u>	<u>\$ 40,796</u>
Inspections:				
Building	<u>\$ 130,827</u>	<u>\$ 135,164</u>	<u>\$ 126,875</u>	<u>\$ 8,289</u>
Other protection:				
Animal control	\$ 89,159	\$ 86,825	\$ 82,598	\$ 4,227
Emergency management	43,428	37,514	37,230	284
E-911	2,665	2,276	1,980	296
Total other protection	<u>\$ 135,252</u>	<u>\$ 126,615</u>	<u>\$ 121,808</u>	<u>\$ 4,807</u>
Total public safety	<u>\$ 3,281,026</u>	<u>\$ 4,145,551</u>	<u>\$ 3,725,758</u>	<u>\$ 419,793</u>
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Highways, streets, bridges and sidewalks	<u>\$ 24,800</u>	<u>\$ 20,453</u>	<u>\$ 19,240</u>	<u>\$ 1,213</u>
Sanitation and waste removal:				
Refuse collection and disposal	\$ 472,650	\$ 480,026	\$ 511,345	\$ (31,319)
Dumpster site maintenance	109,928	105,291	104,629	662
Total sanitation and waste removal	<u>\$ 582,578</u>	<u>\$ 585,317</u>	<u>\$ 615,974</u>	<u>\$ (30,657)</u>
Maintenance of general buildings and grounds:				
General properties	<u>\$ 829,056</u>	<u>\$ 862,245</u>	<u>\$ 825,754</u>	<u>\$ 36,491</u>
Total public works	<u>\$ 1,436,434</u>	<u>\$ 1,468,015</u>	<u>\$ 1,460,968</u>	<u>\$ 7,047</u>
Health and welfare:				
Health:				
Supplement of local health department	<u>\$ 97,410</u>	<u>\$ 99,778</u>	<u>\$ 99,593</u>	<u>\$ 185</u>
Mental health and mental retardation:				
Chapter X board	<u>\$ 48,019</u>	<u>\$ 48,019</u>	<u>\$ 48,019</u>	<u>\$ -</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2011 (Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Welfare:				
Local area on aging	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Welfare administration	220,777	220,777	108,096	112,681
Comprehensive services	79,778	79,778	148,980	(69,202)
Total welfare	<u>\$ 302,555</u>	<u>\$ 302,555</u>	<u>\$ 259,076</u>	<u>\$ 43,479</u>
Total health and welfare	<u>\$ 447,984</u>	<u>\$ 450,352</u>	<u>\$ 406,688</u>	<u>\$ 43,664</u>
Education:				
Other instructional costs:				
Contributions to community colleges	\$ 2,646	\$ 2,646	\$ -	\$ 2,646
Truck driving school lease - Airport Commission	4,800	4,800	4,800	-
Contribution to County school board	1,655,060	1,655,060	1,582,383	72,677
Adult activity services	10,000	10,000	10,000	-
Children are extra special	2,500	2,500	-	2,500
Coalition for delayed parenthood	-	6,000	6,000	-
Workforce development center	62,000	62,581	62,581	-
Headstart program	20,000	20,000	20,000	-
Total education	<u>\$ 1,757,006</u>	<u>\$ 1,763,587</u>	<u>\$ 1,685,764</u>	<u>\$ 77,823</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Recreational facilities	\$ 130,986	\$ 147,244	\$ 120,277	\$ 26,967
Cultural enrichment:				
Meherrin River Arts Council	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Library:				
Contribution to regional library	\$ 115,195	\$ 117,126	\$ 116,548	\$ 578
Total parks, recreation, and cultural	<u>\$ 256,181</u>	<u>\$ 274,370</u>	<u>\$ 246,825</u>	<u>\$ 27,545</u>
Community development:				
Planning and community development:				
Planning	\$ 138,529	\$ 142,174	\$ 139,339	\$ 2,835
Housing - local contributions	3,650	3,650	3,650	-
Industrial development corporation administration	167,265	172,263	166,094	6,169
Industrial Development Authority	481,215	481,215	178,821	302,394
Energy grant	0	126,812	160,540	(33,728)
Economic development	200,351	862,323	839,884	22,439
Geographic information systems	67,727	69,505	68,639	866
Total planning and community development	<u>\$ 1,058,737</u>	<u>\$ 1,857,942</u>	<u>\$ 1,556,967</u>	<u>\$ 300,975</u>
Environmental management:				
Other environmental management	\$ 9,918	\$ 9,918	\$ 9,918	\$ -

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2011 (Continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Cooperative extension program:				
Extension office	\$ 48,663	\$ 49,767	\$ 42,105	\$ 7,662
Total community development	<u>\$ 1,117,318</u>	<u>\$ 1,917,627</u>	<u>\$ 1,608,990</u>	<u>\$ 308,637</u>
Nondepartmental:				
Remittance of sales tax revenue to towns	\$ -	\$ -	\$ 5,265	\$ (5,265)
Debt service:				
Principal retirement	\$ 1,316,422	\$ 1,316,422	\$ 2,011,920	\$ (695,498)
Interest and other fiscal charges	1,498,603	1,438,805	1,170,319	268,486
Total debt service	<u>\$ 2,815,025</u>	<u>\$ 2,755,227</u>	<u>\$ 3,182,239</u>	<u>\$ (427,012)</u>
Total General Fund	<u><u>\$ 13,753,331</u></u>	<u><u>\$ 15,543,987</u></u>	<u><u>\$ 15,062,103</u></u>	<u><u>\$ 481,884</u></u>
Capital Projects Fund:				
Capital projects expenditures:				
Broadband project	\$ -	\$ 50,000	\$ 72,203	\$ (22,203)
Southside Virginia Workforce Center	-	230,551	268,330	(37,779)
Washington Park	68,700	182,641	86,325	96,316
Other	120,500	122,013	45,420	76,593
District 19 MD clinic	-	883,945	716,683	167,262
SVEC	5,000,000	4,556,255	132,478	4,423,777
Phoenix building	-	-	334,471	(334,471)
Commonwealth Attorney office	500,000	500,000	90,737	409,263
Total capital projects	<u>\$ 5,699,200</u>	<u>\$ 6,535,405</u>	<u>\$ 1,746,647</u>	<u>\$ 4,788,758</u>
Total Primary Government	<u><u>\$ 19,452,531</u></u>	<u><u>\$ 22,079,392</u></u>	<u><u>\$ 16,808,750</u></u>	<u><u>\$ 5,270,642</u></u>

Statistical Tables

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Table 1

COUNTY OF GREENSVILLE, VIRGINIA

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

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

(1) Information has only been available for 9 years.

COUNTY OF GREENSVILLE, VIRGINIA

Table 2

Government-Wide Revenues
Last Ten Fiscal Years (1)

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

(1) Information has only been available for 9 years.

COUNTY OF GREENSVILLE, VIRGINIA

Table 3

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

Fiscal Year	General Governmental Expenditures by Function										Total
	Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Non-departmental	Debt Service	
2001-02	\$ 1,423,334	\$ 712,184	\$ 2,564,249	\$ 992,493	\$ 2,938,479	\$ 19,036,885	\$ 246,856	\$ 424,496	\$ 25,289	\$ 2,434,206	\$ 30,798,471
2002-03	1,185,696	681,046	2,734,284	1,008,267	2,839,700	22,284,464	184,741	791,425	111,217	2,221,521	34,042,361
2003-04	1,215,730	727,039	3,122,728	1,138,646	3,058,543	20,744,440	223,654	730,128	4,818	2,640,368	33,606,094
2004-05	1,268,537	772,483	2,916,147	1,470,144	3,377,420	22,692,712	253,589	1,881,231	5,616	2,593,970	37,231,849
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

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

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

COUNTY OF GREENSVILLE, VIRGINIA

Table 4

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

Fiscal Year	General Property Taxes		Other Local Taxes		Permits, Privilege Fees, Regulatory Licenses		Fines and Forfeitures		Revenue from the Use of Money and Property		Charges for Services		Miscellaneous		Recovered Costs		Inter-governmental (2)		Total
2001-02	\$ 4,134,853	\$ 1,293,049	\$ 42,146	\$ 937,393	\$ 288,522	\$ 289,686	\$ 459,331	\$ 774,480	\$ 20,938,668	\$ 29,158,128									
2002-03	4,229,014	1,255,380	44,618	1,229,563	367,527	411,321	737,890	923,467	21,194,685	30,393,465									
2003-04	4,292,686	1,368,638	49,105	1,422,360	266,799	3,147,179	235,295	744,193	21,488,629	33,014,884									
2004-05	4,350,198	1,375,137	47,109	1,091,981	348,205	3,518,694	147,362	858,190	25,231,310	36,968,186									
2005-06	4,643,320	1,552,469	41,004	1,103,181	297,870	3,750,706	142,718	935,913	25,892,448	38,359,629									
2006-07	4,930,287	1,577,881	51,626	1,323,110	473,148	3,857,196	478,018	1,169,366	27,906,863	41,767,495									
2007-08	5,194,668	1,641,524	97,952	1,094,383	322,363	4,031,076	779,970	1,232,567	28,389,585	42,784,088									
2008-09	5,696,735	1,692,677	78,980	1,240,094	181,078	3,930,112	500,218	1,559,297	28,788,113	43,667,304									
2009-10	5,739,894	1,447,080	42,772	1,329,899	158,930	4,348,497	533,177	1,128,192	30,007,828	44,736,269									
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									

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

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

COUNTY OF GREENSVILLE, VIRGINIA

Table 5

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1)		Current Tax Collections (1)		Percent of Levy Collected		Delinquent Tax Collections (1)		Total Tax Collections		Percent of Total Tax Collections to Tax Levy		Outstanding Delinquent Taxes (1,2)		Percent of Delinquent Taxes to Tax Levy	
	\$		\$		%		\$		\$		%		\$		%	
2001-02	\$ 5,026,856		\$ 4,896,418		97.41%		\$ 133,525		\$ 5,029,943		100.06%		\$ 275,188		5.47%	
2002-03	5,199,878		5,150,423		99.05%		71,203		5,221,626		100.42%		212,975		4.10%	
2003-04	5,269,452		5,116,353		97.09%		112,379		5,228,732		99.23%		239,351		4.54%	
2004-05	5,231,309		5,106,617		97.62%		95,415		5,202,032		99.44%		303,344		5.80%	
2005-06	5,573,305		5,501,901		98.72%		117,313		5,619,214		100.82%		365,659		6.56%	
2006-07	5,894,172		5,763,835		97.79%		110,493		5,874,328		99.66%		398,010		6.75%	
2007-08	6,044,425		5,975,915		98.87%		132,340		6,108,255		101.06%		405,945		6.72%	
2008-09	6,691,466		6,488,394		96.97%		117,942		6,606,336		98.73%		470,991		7.04%	
2009-10	6,552,012		6,476,081		98.84%		153,431		6,629,512		101.18%		505,872		7.72%	
2010-11	6,910,694		6,662,097		96.40%		164,312		6,826,409		98.78%		544,724		7.88%	

(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
2001-02	\$ 331,102,470	\$ 42,203,415	\$ 8,320,790	\$ 1,000	\$ 19,581,540	\$ 32,427,561	\$ 433,636,776	
2002-03	400,659,700	43,449,160	7,049,980	26,600	20,904,750	40,697,710	512,787,900	
2003-04	404,339,400	42,836,310	7,157,370	49,570	21,032,780	36,554,416	511,969,846	
2004-05	410,054,150	39,404,880	7,126,630	81,080	23,441,510	28,098,889	508,207,139	
2005-06	417,025,690	44,714,256	7,206,760	77,590	25,131,490	28,740,569	522,896,355	
2006-07	423,190,540	48,383,540	7,216,320	109,100	23,284,410	28,128,700	530,312,610	
2007-08	429,740,130	48,697,570	7,190,590	80,620	24,149,100	30,154,407	540,012,417	
2008-09	673,068,000	52,308,630	5,636,734	81,500	25,196,000	43,288,438	799,579,302	
2009-10	668,105,000	47,708,720	5,602,340	81,500	27,584,810	42,194,732	791,277,102	
2001-11	673,975,450	51,182,826	5,601,644	81,500	32,030,360	46,278,980	809,150,760	

(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
2001-02	\$ 0.64	\$ 4.50	\$ 0.64	\$ 3.50	0.50
2002-03	0.57	4.50	0.57	3.50	0.50
2003-04	0.57	4.50	0.57	3.50	0.50
2004-05	0.59	4.50	0.59	3.50	0.50
2005-06	0.59	4.50	0.59	3.50	0.50
2006-07	0.62	4.50	0.62	3.50	0.50
2007-08	0.63	4.50	0.63	3.50	0.50
2008-09	0.45	4.50	0.45	4.00	0.50
2009-10	0.45	4.50	0.45	4.00	0.50
2010-11	0.45	4.50	0.45	4.00	0.50

(1) Per \$100 of assessed value.

COUNTY OF GREENSVILLE, VIRGINIA

Table 8

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

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross Bonded Debt (3)	Less:		Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
				Debt Service Monies Available	Net Bonded Debt			
2001-02	11,560	433,637	19,923,216	-	-	19,923,216	4.59%	1,723
2002-03	11,800	512,788	15,428,365	-	-	15,428,365	3.01%	1,307
2003-04	12,200	511,970	14,494,925	-	-	14,494,925	2.83%	1,188
2004-05	12,200	508,207	12,906,266	-	-	12,906,266	2.54%	1,058
2005-06	12,300	522,896	10,501,945	-	-	10,501,945	2.01%	854
2006-07	12,300	530,313	10,069,351	-	-	10,069,351	1.90%	819
2007-08	12,059	540,012	10,038,748	-	-	10,038,748	1.86%	832
2008-09	12,511	799,579	16,656,103	-	-	16,656,103	2.08%	1,331
2009-10	12,511	791,277	15,280,738	-	-	15,280,738	1.93%	1,221
2010-11	12,257	809,151	14,718,795	-	-	14,718,795	1.82%	1,201

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

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

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

Excludes revenue bonds, landfill closure/postclosure care liability, capital leases, and compensated absences.

COMPLIANCE

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ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Greensville, Virginia, as of and for the year ended June 30, 2011, which collectively comprise the County of Greensville, Virginia's basic financial statements and have issued our report thereon dated December 22, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
December 22, 2011

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Compliance

We have audited County of Greensville, Virginia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of County of Greensville, Virginia's major federal programs for the year ended June 30, 2011. County of Greensville, Virginia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of County of Greensville, Virginia's management. Our responsibility is to express an opinion on County of Greensville, Virginia's compliance based on our audit.

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

In our opinion, County of Greensville, Virginia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

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

Internal Control Over Compliance: (Continued)

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

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

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

Robinson, Farmer, Cox Associates
Charlottesville, Virginia
December 22, 2011

COUNTY OF GREENSVILLE, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

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	0950110/0950111	\$ 7,178
Temporary assistance for needy families	93.558	0400110/0400111	231,963
Refugee and entrant assistance - state administered programs	93.566	0500110/0500111	598
Low-income home energy assistance	93.568	0600410/0600411	21,805
Child Care and Development Fund Cluster:			
Child care and development block grant	93.575	0770110/0770111	213,842
Child care mandatory and matching funds of the child care and development fund	93.596	0760110/0760111	97,107
ARRA - Child care and development block grant	93.713	740109	17,484
Stephanie Tubbs Jones child welfare services program	93.645	0900110/0900111	963
Foster care - Title IV-E	93.658	1100110/1100111	134,729
ARRA - Foster care - Title IV-E	93.658	1100110/1100111	5,058
Total Foster care - Title IV-E			139,787
Adoption assistance	93.659	1120110/1120111	8,441
ARRA - Adoption assistance	93.659	1120110/1120111	213
Total Adoption assistance			8,654
Social services block grant	93.667	1000110/1000111	176,120
Chafee foster care independence program	93.674	9150110/9150111	2,304
Children's health insurance program	93.767	0540110/0540111	9,504
Medical assistance program	93.778	1200110/1200111	187,000
Total Department Health and Human Services			\$ 1,114,309
Department of Agriculture:			
Direct Payments:			
Child Nutrition Cluster:			
Food commodities distribution	10.555	N/A	\$ 94,897
Pass Through Payments:			
National school lunch program	10.555	10.555/2010/2011	681,659
Total National school lunch program			776,556
Pass Through Payments:			
Department of Education:			
Child Nutrition Cluster:			
School breakfast program	10.553	10.553/2010/2011	\$ 235,925
Direct Payments:			
Summer food service program for children	10.559	N/A	54,847
Department of Social Services:			
SNAP Cluster:			
State administrative matching grants for the supplemental nutrition assistance program	10.561	0010110/0010111	313,307
ARRA State administrative matching grants for the supplemental nutrition assistance program	10.561	0040110/0040111	5,975
Total State administrative matching grants for the supplemental nutrition assistance program			319,282
Total Department of Agriculture			\$ 1,386,610
Department of Housing and Urban Development			
Pass Through Payments:			
Office of Community Planning and Development			
Community development block grants	14.228	B-04-DC-51-0001	\$ 343,168

COUNTY OF GREENSVILLE, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2011

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	\$ 505
Pass Through Payments:			
Bureau of Justice Assistance			
Local law enforcement block grant	16.592	Unknown	<u>3,571</u>
Total Department of Criminal Justice			<u>\$ 4,076</u>
Department of Energy:			
Pass Through Payments:			
Department of Mines, Mineral and Energy:			
ARRA-Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	Unknown	<u>\$ 153,234</u>
Office of Water:			
Direct Payments:			
Environmental Protection Agency:			
National Estuary Program	66.456	N/A	<u>\$ 19,159</u>
Department of Transportation			
Pass Through Payments:			
National Highway Traffic Safety Administration (NHTSA)			
State and Community Highway Safety	20.600	50340/59132	<u>\$ 7,853</u>
Department of Homeland Security			
Pass Through Payments:			
Federal Emergency Management Agency			
Emergency management performance grants	97.042	77501-52708/52709	<u>\$ 5,000</u>
Department of Defense:			
Direct Payments:			
Department of Defense:			
ROTC	12.000	N/A	<u>\$ 57,925</u>
Department of Education:			
Pass Through Payments:			
Department of Education:			
Title I, Part A Cluster:			
Title I grants to local educational agencies	84.010	S010A100046/S010A090046	\$ 848,734
ARRA - Title I Grants to Local Educational Agencies	84.389	S389A090046	235,374
Special Education Cluster (IDEA):			
Special education - grants to states	84.027	H027A100107	557,705
ARRA - Special Education Grants to States	84.391	H391A090107	375,796
Special education - preschool grants	84.173	H173A100112/H173A090112	4,175
ARRA - Special Education -preschool grants	84.392	H392A090112	14,229
Safe and drug-free schools and communities - state grants	84.186	Q186A090048	8,739
Twenty-First century community learning centers	84.287	N/A	371,088
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants	84.394	S394A090047	811,655
Gaining early awareness and readiness for undergraduate programs	84.334	Unknown	21,467
Improving teacher quality state grants	84.367	S367A100044/S367A090044	133,948
Career and technical education - basic grants to states	84.048	V048A100046/VA048A090046	56,764
Rural Education	84.358	Unknown	61,159
Title III	84.000	Unknown	5,044
Education Technology State Grants Cluster:			
ARRA - Education Technology State Grants	84.386	S386A100046	4,901
Education technology state grants	84.318	S318X100046	<u>3,850</u>
Total Department of Education			<u>\$ 3,514,628</u>
Total Expenditures of Federal Awards			<u>\$ 6,605,962</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Note 1 - General

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the County of Greensville, Virginia under programs of the federal government for the year ended June 30, 2011. The information in this Schedule is presented in accordance with the requirements of 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 the County of Greensville, Virginia, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County of Greensville, Virginia.

Note 2 - Basis of Accounting

(1) Expenditures on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-81, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

Note 3 - 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	\$ 482,490
Capital Projects Fund	50,000
Total primary government	<u>\$ 532,490</u>
Component Unit Public Schools:	
School Operating Fund	\$ 3,572,553
School Cafeteria Fund	1,067,328
Total component unit public schools	<u>\$ 4,639,881</u>
Component Unit Department of Social Services	<u>\$ 1,433,591</u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u>\$ 6,605,962</u>

COUNTY OF GREENSVILLE, VIRGINIA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
84.394	ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants
81.128	ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)
84.287	Twenty-First Century Community Learning Centers

Special Education Cluster (IDEA):

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

Title I, Part A Cluster:

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

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

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

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

COUNTY OF GREENSVILLE, VIRGINIA

Schedule of Prior Year Audit Findings
Year Ended June 30, 2011

There were no items reported.

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