COUNTY OF GREENE, VIRGINIA

FINANCIAL REPORT YEAR ENDED JUNE 30, 2010

County of Greene, Virginia

Financial Report

Year Ended June 30, 2010

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County of Greene, Virginia

Board of Supervisors

Steve Catalano, Chairman
Buggs Peyton, Vice-Chairman
Jim Frydl
Carl Schmitt
Mike Skeens

County School Board

Michelle Flynn, Chairman
Troy Harlow, Vice Chairman
Jason Collier
Darcy Higgins
Graydon Lamb

County Social Service Board

Joanne G. Burkholder, Chairman
Larry Miller
Sandra Sullivan

Other Officials

Judge of the Circuit Court.......... Daniel R. Bouton
Clerk of the Circuit Court .... Marie C. Durrer
Judge of the General District Court .... Roger L. Morton
Judge of Juvenile & Domestic Relations District Court.......... Edward DeJarnette Berry
Commonwealth's Attorney.......... Ronald L. Morris
Commissioner of the Revenue .... Larry V. Snow
Treasurer.......... Gail S. Berry
Sheriff .... J. Scott Haas
Superintendent of Schools.......... Dave Jeck
Director of Department of Social Services.......... James Howard
County Administrator .... Barry Clark

Independent Auditors' Report

The Honorable Members of
The Board of Supervisors
County of Greene
Stanardsville, Virginia

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Greene, Virginia, as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the County of Greene, 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 *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. 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 discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Greene, Virginia, as of June 30, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2011, on our consideration of the County of Greene, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Greene, Virginia's basic financial statements. The combining and individual fund statements and schedules, supporting schedule, and other statistical information as listed in the table of contents as other supplementary information 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 Greene, Virginia. The combining and individual fund statements and schedules, supporting schedule, and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The other statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
May 27, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the County of Greene, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2010.

Financial Highlights

Government-wide Financial Statements

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by $19,357,886 (net assets).

- Our combined long-term obligations decreased $2,446,176 during the current fiscal year.

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported revenues in excess of expenditures by $1,030,178 (Exhibit 4) which includes contributions totaling $8,637,774 to the School Board.

- As of the close of the current fiscal year, the County's funds reported ending fund balances of $17,562,189, an increase of $1,030,178 in comparison with the prior year.

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 are comprised of three components:

1. Government-wide financial statements,

2. Fund financial statements, and

3. Notes to the financial statements.

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

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

Overview of the Financial Statements (Continued)

The statement of net 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 Greene, Virginia itself (known as the primary government), but also a legally separate school district for which the County of Greene, Virginia is financially accountable. Financial information for this component unit 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 Greene, 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 fiduciary funds.

Governmental funds - *Governmental funds* are used to account for essentially the same functions or services reported as governmental activities in the government-wide financial statements. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds focus is narrower than that of the government-wide financial statements a reconciliation between the two methods is provided at the bottom of the governmental fund balance sheet and in a separate exhibit following the governmental fund statement of revenues, expenditures and changes in fund balances. The County has two major governmental funds – the General Fund and the Debt Service Fund.

Fiduciary funds – are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund statement can be found on page 14 of this report.

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 statements and accompanying notes, this report also presents certain required supplementary information for budgetary comparison schedules and a schedule of pension funding progress and other supplementary information including the presentation of combining financial statements for the discretely presented component unit - School Board. The School Board does not issue separate 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, assets exceeded liabilities by $19,378,934 at the close of the most recent fiscal year.

County of Greene, Virginia's Net Assets

	Governmental Activities	
	2010	**2009**
Current and other assets	$ 29,251,534	$ 20,171,084
Capital assets	45,338,989	45,532,590
Total assets	$ 74,590,523	$ 65,703,674
Long-term liabilities outstanding	$ 40,771,361	$ 43,327,405
Current liabilities	14,461,276	6,378,277
Total liabilities	$ 55,232,637	$ 49,705,682
Net assets:		
Invested in capital assets, net of related debt	$ 8,328,313	$ 6,103,056
Unrestricted	11,029,573	9,894,936
Total net assets	$ 19,357,886	$ 15,997,992

At the end of the current fiscal year, the County's investment in capital assets net of related debt is $8,328,313.

The County's net assets increased $3,359,894 during the current fiscal year.

Government-wide Financial Analysis (Continued)

Governmental Activities - Governmental activities increased the County's net assets by $3,359,894. Key elements of this increase are as follows:

County of Greene, Virginia's Changes in Net Assets
For the Years Ended June 30, 2010 and 2009

	Governmental Activities	
	2010	**2009**
Revenues:		
Program revenues:		
Charges for services	$ 3,643,413	$ 4,990,757
Operating grants and contributions	4,125,296	4,123,823
Capital grants and contributions	202,677	-
General revenues:		
General property taxes	16,501,906	15,659,705
Other local taxes	3,789,119	3,554,550
Commonwealth of Virginia non-categorical aid	2,406,313	2,454,781
Other general revenues	330,379	508,810
Total revenues	$ 30,999,103	$ 31,292,426
Expenses:		
General government administration	$ 2,317,597	$ 2,208,969
Judicial administration	728,288	732,824
Public safety	5,168,726	4,964,867
Public works	2,157,064	2,686,808
Health and welfare	3,141,865	3,545,971
Education	9,977,710	10,102,951
Parks, recreation, and cultural	582,625	798,049
Community development	1,694,807	1,554,244
Interest and other fiscal charges	1,870,527	2,023,856
Total expenses	$ 27,639,209	$ 28,618,539
Change in net assets	$ 3,359,894	$ 2,673,887
Net assets, July 1, 2009	15,997,992	13,324,105
Net assets, June 30, 2010	$ 19,357,886	$ 15,997,992

Government-wide Financial Analysis (Continued)

Property taxes increased by $842,201 during the year, due primarily to the increase in real estate development in the County. Charges for services decreased $1,347,344 due to fewer collections of water and sewer EDU's in 2010. All other revenues increased by a net of $211,820. The County's contribution to the School Board totaled $9,952,016 for the year compared to $10,034,653 in the prior year, a decrease of $82,637.

For the most part, increases in expenditures closely paralleled inflation and growth in the demand for services.

Financial Analysis of the County's Funds

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

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the County's financing requirements. In particular, 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.

As of the end of the current fiscal year, the County's governmental funds reported fund balances of $17,562,189 an increase of $1,030,178 in comparison with the prior year.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were $2,128,824 and can be briefly summarized as follows:

- $484,543 in increases for public safety
- $228,330 in increases for community development
- $1,347,916 in increases for capital projects
- $68,035 in other increases and decreases

Budgeted revenues of the general fund increased $767,012, including increases of $601,886 for intergovernmental revenues and $165,126 of other increases.

Capital Asset and Debt Administration

- Capital assets - The County's investment in capital assets for its governmental operations as of June 30, 2010 totals $45,338,989 (net of accumulated depreciation - Note 4). This investment in capital assets includes land, buildings and improvements, machinery and equipment and construction in progress.

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

Long-term obligations - At the end of the current fiscal year, the County had total long-term obligations outstanding of $43,738,029. Of this amount $42,439,783 comprises debt backed by the full faith and credit of the County. The County's total obligations decreased $2,446,176 during the current fiscal year.

Additional information on the County of Greene, Virginia's long-term debt can be found in Note 5 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the County is currently 5.0 percent, which is a decrease from a rate of 6.5 percent a year ago. This compares favorably to the state's average unemployment rate of 6.9 percent and compares favorably to the national average rate of 9.5 percent.

- Residential growth continues to increase and broaden the demand for locally provided services such as schools, emergency service, social services, inspections, law enforcement, parks and recreation, solid waste, and libraries.

- Departments and agencies were held to level funding related to operational expenditures except in those circumstances where increases in expenditures were unavoidable.

All of these factors were considered in preparing the County's budget for the 2011 fiscal year.

The fiscal year 2011 budget decreased from $54,156,134 to $51,034,784 or $3,121,350 (6%).

Requests for Information

This financial report is designed to provide a general overview of the County of Greene, 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, P.O. Box 358, Stanardsville, Virginia 22973.

Basic Financial Statements

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Government-wide Financial Statements

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Statement of Net Assets
June 30, 2010

	Primary Government	Component Units	
	Governmental Activities	School Board	Greene County EDA
ASSETS			
Current assets:			
Cash and cash equivalents	$ 16,480,801	$ 113,373	$ 449,548
Investments	169,770	-	-
Receivables (net of allowance for uncollectibles):			
Property taxes	10,359,456	-	-
Accounts receivable	164,499	-	-
Due from other governments	2,077,008	1,543,524	-
Due from primary government	-	933,748	6,496
Total current assets	$ 29,251,534	$ 2,590,645	$ 456,044
Noncurrent assets:			
Land held for resale	$ -	$ -	$ 160,771
Capital assets:			
Land	663,765	$ 127,800	$ -
Buildings and equipment, net of depreciation	18,186,535	7,655,943	-
Construction in progress	26,488,689	-	-
Total noncurrent assets	$ 45,338,989	$ 7,783,743	$ 160,771
Total assets	$ 74,590,523	$ 10,374,388	$ 616,815
LIABILITIES			
Current liabilities:			
Accounts payable	$ 63,591	$ 3,520	$ 7,174
Accrued liabilities	-	2,459,073	-
Due to component unit	933,748	-	-
Unearned revenue	9,753,511	-	-
Accrued interest payable	743,758	28,721	-
Current portion of long-term obligations	2,966,668	209,353	-
Total current liabilities	$ 14,461,276	$ 2,700,667	$ 7,174
Noncurrent liabilities:			
Noncurrent portion of long-term obligations	40,771,361	1,336,166	-
Total liabilities	$ 55,232,637	$ 4,036,833	$ 7,174
NET ASSETS			
Invested in capital assets, net of related debt	$ 8,328,313	$ 7,348,356	$ -
Unrestricted	11,029,573	(1,010,801)	609,641
Total net assets	$ 19,357,886	$ 6,337,555	$ 609,641
Total liabilities and net assets	$ 74,590,523	$ 10,374,388	$ 616,815

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

Statement of Activities
For the Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Component Units: School Board	Component Units: Greene County EDA
PRIMARY GOVERNMENT:							
Governmental activities:							
General government administration	$ 2,317,597	$ -	$ 126,585	$ -	$ (2,191,012)	$ -	$ -
Judicial administration	728,288	242,583	341,544	-	(144,161)	-	-
Public safety	5,168,726	40,902	1,294,780	-	(3,833,044)	-	-
Public works	2,157,064	2,151,390	-	-	(5,674)	-	-
Health and welfare	3,141,865	60	1,914,606	-	(1,227,199)	-	-
Education	9,977,710	110,957	-	-	(9,866,753)	-	-
Parks, recreation, and cultural	582,625	80,982	-	202,677	(298,966)	-	-
Community development	1,694,807	1,016,539	447,781	-	(230,487)	-	-
Interest on long-term debt	1,870,527	-	-	-	(1,870,527)	-	-
Total governmental activities	$ 27,639,209	$ 3,643,413	$ 4,125,296	$ 202,677	$ (19,667,823)	$ -	$ -
COMPONENT UNITS:							
School Board	$ 29,787,543	$ 598,183	$ 19,308,129	$ -	$ -	$ (9,881,231)	$ -
Greene County EDA	145,342	1,358	-	-	-	-	(143,984)
Total component units	$ 29,932,885	$ 599,541	$ 19,308,129	$ -	$ -	$ (9,881,231)	$ (143,984)
General revenues:							
General property taxes					$ 16,501,906	$ -	$ -
Local sales and use tax					1,152,278	-	-
Communication sales and use taxes					515,828	-	-
Business license taxes					372,904	-	-
Consumer utility taxes					441,554	-	-
Motor vehicle licenses					395,754	-	-
Meals taxes					498,438	-	-
Taxes on recordation and wills					236,004	-	-
Other local taxes					176,359	-	-
Grants and contributions not restricted to specific programs					2,406,313	-	-
Unrestricted revenues from use of money and property					130,067	8,370	20,209
Miscellaneous					200,312	370,993	1,058
Payment from primary government					-	9,952,017	73,619
Total general revenues					$ 23,027,717	$ 10,331,380	$ 94,886
Change in net assets					$ 3,359,894	$ 450,149	$ (49,098)
Net assets - beginning					15,997,992	5,887,406	658,739
Net assets - ending					$ 19,357,886	$ 6,337,555	$ 609,641

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

Fund Financial Statements

Balance Sheet - Governmental Funds
June 30, 2010

	General Fund	Debt Service Fund	Total
ASSETS			
Cash and cash equivalents	$ 12,412,523	$ 4,068,278	$ 16,480,801
Investments	169,770	-	169,770
Receivables (net of allowance for uncollectibles):			
Property taxes	10,359,456	-	10,359,456
Accounts receivable	164,499	-	164,499
Due from other governmental units	2,077,008	-	2,077,008
Total assets	$ 25,183,256	$ 4,068,278	$ 29,251,534
LIABILITIES			
Accounts payable	$ 63,595	$ -	$ 63,595
Due to component unit	933,748	-	933,748
Deferred revenue	10,692,002	-	10,692,002
Total liabilities	$ 11,689,345	$ -	$ 11,689,345
FUND BALANCES			
Reserved for debt service	$ -	$ 4,068,278	$ 4,068,278
Reserved for capital projects	169,770	-	169,770
Unreserved	13,324,141	-	13,324,141
Total fund balances	$ 13,493,911	$ 4,068,278	$ 17,562,189

Detailed explanation of adjustments from fund statements to government-wide statement of net assets:	
When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the County as a whole.	$ 45,338,989
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(743,758)
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay current-period expenditures. Those assets (for example, receivables) are offset by deferred revenues in the governmental funds and thus are not included in the fund balance.	938,495
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities--both current and long-term--are reported in the statement of net assets.	(43,738,029)
Net assets of General Government Activities	$ 19,357,886

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

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2010

	General Fund	Debt Service Fund	Total
Revenues:			
General property taxes	$ 16,457,255	$ -	$ 16,457,255
Other local taxes	3,789,119	-	3,789,119
Permits, privilege fees and regulatory licenses	281,684	-	281,684
Fines and forfeitures	183,417	-	183,417
Revenue from use of money and property	52,668	77,398	130,066
Charges for services	2,258,311	920,000	3,178,311
Miscellaneous	200,312	-	200,312
Recovered costs	7,955	-	7,955
Intergovernmental:			
Commonwealth	5,468,817	-	5,468,817
Federal	1,265,469	-	1,265,469
Total revenues	$ 29,965,007	$ 997,398	$ 30,962,405
Expenditures:			
Current:			
General government administration	$ 2,194,470	$ -	$ 2,194,470
Judicial administration	651,621	-	651,621
Public safety	5,260,704	-	5,260,704
Public works	1,836,690	-	1,836,690
Health and welfare	3,161,649	-	3,161,649
Education	8,642,007	-	8,642,007
Parks, recreation, and cultural	498,169	-	498,169
Community development	1,695,747	-	1,695,747
Nondepartmental	21,595	-	21,595
Capital outlays and projects	1,369,072	-	1,369,072
Debt service:			
Principal retirement	1,866,021	947,311	2,813,332
Interest and other fiscal charges	600,171	1,304,700	1,904,871
Total expenditures	$ 27,797,916	$ 2,252,011	$ 30,049,927
Excess (deficiency) of revenues over expenditures	$ 2,167,091	$ (1,254,613)	$ 912,478
Other financing sources (uses):			
Issuance of capital leases	$ 117,700	$ -	$ 117,700
Transfers in	1,290,139	-	1,290,139
Transfers (out)	-	(1,290,139)	(1,290,139)
Total other financing sources (uses)	$ 1,407,839	$ (1,290,139)	$ 117,700
Change in fund balance	$ 3,574,930	$ (2,544,752)	$ 1,030,178
Fund balance at beginning of year	9,918,981	6,613,030	16,532,011
Fund balance at end of year	$ 13,493,911	$ 4,068,278	$ 17,562,189

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

Reconciliation of Statement of Revenues, Expenditures, and Change in Fund Balance
to the Statement of Activities - Governmental Funds
For the Year Ended June 30, 2010

			Primary Government Governmental Funds
Amounts reported for governmental activities in the statement of activities are different because:			
Net change in fund balance - total governmental funds			$ 1,030,178
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period. Details supporting this adjustment are as follows:			
Capital outlay	$	1,781,114	
Depreciation expense		(965,868)	815,246
Transfer of joint tenancy assets from Primary Government to the Component Unit			(1,008,847)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Details of this item consist of the change in deferred taxes.			44,651
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. A summary of items supporting this adjustment is as follows:			
Principal retired on capital lease obligatons	$	84,863	
Principal retired on general obligation bonds		994,237	
Principal retired on revenue bonds and premiums		682,454	
Principal retired on water and sewer bonds		277,311	
Principal retired on notes payable		74,467	
Principal retired on state literary fund loans		700,000	
Increase of landfill closure liability		(252,629)	
Increase of other post-employment benefits liability		(6,395)	
Long-term debt issued		(117,700)	2,436,608
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. The following is a summary of items supporting this adjustment:			
Change in accrued leave	$	9,568	
Change in interest payable		32,490	42,058
Change in net assets of governmental activities			$ 3,359,894

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

Statement of Fiduciary Net Assets
June 30, 2010

		Agency Fund
ASSETS		
Cash and cash equivalents	$	28,133
LIABILITIES		
Amounts held for social services clients	$	28,133

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

Note 1—Summary of Significant Accounting Policies:

The County of Greene, Virginia was formed in 1702 and it is governed by an elected five member Board of Supervisors. The Board of Supervisors is responsible for appointing the County Administrator. The County provides a full range of services for its citizens. These services include police and volunteer fire protection, sanitation services, recreational activities, cultural events, education, and social services.

The financial statements of the County of Greene, 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 component 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 unit. 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.

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

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

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

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

Budgetary comparison schedules - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the GASB 34 reporting model governments provide budgetary comparison information in their annual reports, including the requirement to report the government's original budget in addition to the comparison of final budget and 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 basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present the County of Greene, Virginia (the primary government) and its component unit. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

B. Individual Component Unit Disclosures

Blended Component Units: The County has no blended component units to be included for the fiscal year ended June 30, 2009.

Discretely Presented Component Units:

Greene County School Board

The Greene County School Board operates the elementary and secondary public schools in the County. School Board members are elected by the voters of the County for a term of four years. 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 does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2010.

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

B. Individual Component Unit Disclosures: (Continued)

Discretely Presented Component Units: (Continued)

Greene County Economic Development Authority:

The Greene County Economic Development Authority was formed by the Greene County Board of Supervisors who appoint all Board members of the Authority. The Authority provides a source of financing for industries locating their facilities in the County. The Board of Supervisors cannot impose its will on the Authority, but since there is a potential financial benefit or burden in the relationship, as evidenced by the contributions from the County to the Authority, the Board of Supervisors is financially accountable for the Authority. Accordingly, the Authority is considered a component unit of the County and is included as a discrete presentation in the County's financial report. Financial statements for the Authority can be obtained from their Administrative Offices in Stanardsville, Virginia.

C. Other Related Organizations

Included in the County's Financial Report

None

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.

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 provider have been met.

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

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

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

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

The County's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

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 services, and interest income. A significant part of the General Fund's revenues is used principally to finance the operations of the Component Unit School Board.

B. Debt Service Fund

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds. Specifically, this debt includes VRA water and sewer bonds outstanding.

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

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

1. Governmental Funds: (Continued)

C. Fiduciary Funds (Trust and Agency Funds)

Fiduciary Funds (Trust and Agency Funds) account for assets held by the County unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Agency Funds. These funds utilize the modified accrual basis of accounting described in the Governmental Fund Presentation. Fiduciary funds are not included in the government-wide financial statements.

D. Component Unit:

The Greene County School Board has the following funds:

Governmental Funds:

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

Special Revenue Funds:

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

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.

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 Component Unit - 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.

For the fiscal year ended June 30, 2010, a budget was not legally adopted for the Debt Service Fund and the School Cafeteria Fund and, therefore, expenditures exceed appropriations in these funds for the fiscal year.

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 unit, are reported at fair value.

G. Receivables and payables

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately $307,681 at June 30, 2010 and is comprised solely of property taxes.

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

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 and Component Unit – School Board 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, 2009 was immaterial.

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

Assets	Years
Buildings	40
Building improvements	20-40
Vehicles	5
Police cars	3
Office and computer equipment	5
Buses	12

I. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. 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.

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 and premiums on issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Fund Equity

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

L. Retirement Plan

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

M. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

N. Net Assets

Net assets are the difference between assets and liabilities. Net assets invested in capital assets represent capital assets, less accumulated depreciation less any outstanding debt related to the acquisition, construction or improvement of those assets.

Note 2—Deposits and Investments:

Deposits

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

Note 2—Deposits and Investments: (Continued)

Investments

Statutes authorize the County and its Component Unit 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).

Credit Risk of Debt Securities

The County does not have a policy regarding credit risk of debt securities. The County's rated debt investments as of June 30, 2010 were rated by *Standard & Poor's* and the ratings are presented below using the *Standard & Poor's* rating scale.

Locality's Rate Debt Investments' Values

Rated Debt Investments	Fair Quality Ratings AAA
State Non-Arbitrage Pool (SNAP)	$ 169,770
Total	$ 169,770

Interest Rate Risk

The County does not have a policy regarding interest rate risk.

Investment Maturities (in years)

Investment Type	Fair Value	Less Than 1 Year
State Non-Arbitrage Pool (SNAP)	$ 169,770	$ 169,770
Total	$ 169,770	$ 169,770

External Investment Pools

The fair value of the positions in the State Non-Arbitrage Pool (SNAP) is the same as the value of the pool shares. The SNAP is an open-end management investment company registered with the Securities and Exchange Commission (SEC).

Note 3—Due From Other Governmental Units:

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

	Primary Government	Component Unit
Commonwealth of Virginia:		
Local and state sales taxes	$ 193,169	$ 458,696
Communication tax	87,068	-
Public assistance	35,872	-
Comprehensive services	192,270	-
Personal property tax relief act (PPTRA)	1,352,596	-
Other state funding	156,678	-
Federal Government:		
School funds	-	1,084,828
Public assistance	59,355	-
Total	$ 2,077,008	$ 1,543,524

Note 4—Capital Assets:

The following is a summary of changes in primary government capital assets for the year ended June 30, 2010:

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
County				
Capital assets not being depreciated:				
Land	$ 663,765	$ -	$ -	$ 663,765
Construction in Progress:				
County	25,160,519	1,328,170	-	26,488,689
Total capital assets not being depreciated	$ 25,824,284	$ 1,328,170	$ -	$ 27,152,454
Other capital assets being depreciated:				
Buildings and improvements	$ 23,530,708	$ -	$ 1,314,242	$ 22,216,466
Equipment	3,387,641	452,944	-	3,840,585
Total	$ 26,918,349	$ 452,944	$ 1,314,242	$ 26,057,051
Less accumulated depreciation:				
Buildings and improvements	$ 4,686,876	$ 560,013	$ 305,395	$ 4,941,494
Equipment	2,523,167	405,855	-	2,929,022
Total	$ 7,210,043	$ 965,868	$ 305,395	$ 7,870,516
Other capital assets, net	$ 19,708,306	$ (512,924)	$ 1,008,847	$ 18,186,535
Net capital assets	$ 45,532,590	$ 815,246	$ 1,008,847	$ 45,338,989

Note 4—Capital Assets: (Continued)

The following is a summary of changes in component unit school board capital assets for the year ended June 30, 2010:

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Component Unit - School Board				
Capital assets not being depreciated:				
Land	$ 127,800	$ -	$ -	$ 127,800
Total capital assets not being depreciated	$ 127,800	$ -	$ -	$ 127,800
Other capital assets being depreciated:				
Buildings and improvements	$ 14,978,978	$ 1,314,242	$ -	$ 16,293,220
Equipment	2,568,703	291,910	-	2,860,613
Total	$ 17,547,681	$ 1,606,152	$ -	$ 19,153,833
Less accumulated depreciation:				
Buildings and improvements	$ 8,653,218	$ 1,034,434	$ 324,335	$ 9,363,317
Equipment	2,022,595	111,978	-	2,134,573
Total	$ 10,675,813	$ 1,146,412	$ 324,335	$ 11,497,890
Other capital assets, net	$ 6,871,868	$ 459,740	$ (324,335)	$ 7,655,943
Net capital assets	$ 6,999,668	$ 459,740	$ (324,335)	$ 7,783,743

Depreciation expense was charged to functions/programs of the primary government and component unit - school board as follows:

Governmental activities:	
General government administration	$ 101,000
Judicial administration	76,667
Public safety	248,940
Public works	65,336
Health and welfare	6,365
Education	326,856
Parks, recreation and cultural	74,844
Community development	65,860
Total	$ 965,868
Component Unit School Board	$ 1,146,412

Note 5—Long-Term Obligations:

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

Year Ending June 30,	Refunding Bonds Principal	Refunding Bonds Interest	Revenue Bonds VRA Sewer Bond Principal	Revenue Bonds VRA Sewer Bond Interest	Literary Loans Principal	Literary Loans Interest	Transportation Bonds Principal	Transportation Bonds Interest
2011	$ 74,600	$ 25,354	$ 705,000	$ 1,019,071	$ 700,000	$ 310,500	$ 85,000	$ 33,086
2012	77,200	22,736	735,000	988,254	700,000	289,500	85,000	28,645
2013	79,900	20,026	765,000	955,194	700,000	268,500	85,000	24,310
2014	82,600	17,223	800,000	919,911	700,000	247,500	85,000	19,933
2015	85,500	14,323	835,000	883,944	700,000	226,500	85,000	15,512
2016	88,400	11,323	870,000	846,951	700,000	205,500	85,000	11,092
2017	91,500	8,220	915,000	805,643	700,000	184,500	85,000	6,662
2018	94,600	5,010	955,000	760,070	700,000	163,500	85,000	2,221
2019	97,900	1,685	1,005,000	711,421	700,000	142,500	-	-
2020	-	-	1,055,000	659,548	450,000	121,500	-	-
2021	-	-	1,105,000	605,102	450,000	98,000	-	-
2022	-	-	1,165,000	547,764	450,000	94,500	-	-
2023	-	-	1,220,000	487,459	450,000	81,000	-	-
2024	-	-	1,285,000	424,106	450,000	67,500	-	-
2025	-	-	1,355,000	357,336	450,000	54,000	-	-
2026	-	-	1,425,000	286,840	450,000	40,500	-	-
2027	-	-	410,000	240,454	450,000	27,000	-	-
2028	-	-	435,000	219,206	450,000	13,500	-	-
2029	-	-	455,000	197,111	-	-	-	-
2030	-	-	475,000	174,624	-	-	-	-
2031	-	-	500,000	151,046	-	-	-	-
2032	-	-	520,000	126,343	-	-	-	-
2033	-	-	550,000	100,395	-	-	-	-
2034	-	-	570,000	73,235	-	-	-	-
2035	-	-	600,000	44,863	-	-	-	-
2036	-	-	625,000	15,156	-	-	-	-
Totals	$ 772,200	$ 125,900	$ 21,335,000	$ 12,601,047	$ 10,350,000	$ 2,636,000	$ 680,000	$ 141,461

Note 5—Long-Term Obligations: (Continued)

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

Year Ending June 30,	Library Bonds Principal	Library Bonds Interest	Capital Lease Obligations Principal	Capital Lease Obligations Interest	School Bonds Principal	School Bonds Interest
2011	$ 232,903	$ 12,674	$ 126,835	$ 8,480	$ 623,581	$ 129,557
2012	161,050	2,669	71,270	4,156	513,523	95,503
2013	-	-	40,385	1,494	290,021	67,668
2014	-	-	-	-	292,631	52,036
2015	-	-	-	-	295,377	36,266
2016	-	-	-	-	298,268	20,353
2017	-	-	-	-	155,000	8,020
2018	-	-	-	-	155,000	-
Totals	$ 393,953	$ 15,343	$ 238,490	$ 14,130	$ 2,623,401	$ 409,403

Year Ending June 30,	Notes Payable Principal	Notes Payable Interest	Water & Sewer Bonds (Assumed from RSA) Principal	Water & Sewer Bonds (Assumed from RSA) Interest
2011	$ 77,513	$ 23,325	$ 286,512	$ 274,186
2012	80,684	20,154	303,363	261,689
2013	83,985	16,853	312,313	247,687
2014	87,421	13,417	329,414	233,233
2015	90,997	9,841	345,014	218,435
2016	94,720	6,118	363,865	201,773
2017	79,780	2,344	341,216	184,713
2018	-	-	392,967	166,908
2019	-	-	374,967	148,219
2020	-	-	273,218	132,246
2021	-	-	286,469	118,282
2022	-	-	301,370	103,647
2023	-	-	316,271	88,061
2024	-	-	331,172	71,710
2025	-	-	347,723	54,594
2026	-	-	364,275	36,627
2027	-	-	135,000	17,625
2028	-	-	140,000	10,750
2029	-	-	145,000	3,625
Total	$ 595,100	$ 92,052	$ 5,690,129	$ 2,574,010

Note 5—Long-Term Obligations: (Continued)

Changes in Long-Term Obligations:

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

	Amounts payable at July 1, 2009	Increases	Decreases	Amounts payable at June 30, 2010	Due Within One Year
General Long-Term Obligations					
Capital leases	$ 205,653	$ 117,700	$ 84,863	$ 238,490	$ 126,835
Landfill closure and postclosure liability	176,932	252,629	-	429,561	-
Compensated absences	434,666	-	9,568	425,098	42,510
General obligation bonds	5,463,791	-	994,237	4,469,554	1,016,084
Premium on bonds payable	204,756	-	12,454	192,302	12,214
State literary fund loans	11,050,000	-	700,000	10,350,000	700,000
Revenue bonds	22,005,000	-	670,000	21,335,000	705,000
Notes payable	669,567	-	74,467	595,100	77,513
Other post-employment benefits	6,400	6,395	-	12,795	-
Water & Sewer bonds (assumed from RSA)	5,967,440	-	277,311	5,690,129	286,512
Total	$ 46,184,205	$ 376,724	$ 2,822,900	$ 43,738,029	$ 2,966,668

Details of Long-term Obligations:

	Amount Outstanding	Amount Due Within One Year
General obligation bonds:		
$1,700,000 Transportation Bond Series 1997 issued November 20, 1997 payable in annual principal installments of $85,000 interest at 5.15%	$ 680,000	$ 85,000
$2,000,000 Lease Revenue Bonds Series 2000, issued August 23, 2000 due in monthly installments through February 23, 2012, interest at 4.40%	393,953	232,903

Note 5—Long-Term Obligations: (Continued)

Details of Long-term Obligations: (Continued)

		Amount Outstanding		Amount Due Within One Year
General obligation bonds: (continued)				
$1,170,500 Greene County Industrial Development Authority Refunding Bond, Series 2002 issued July 30, 2003, maturing annually from October 15, 2004 through October 15, 2018, interest payable semi-annually at 3.45%	$	772,200	$	74,600
$1,840,000 School Bonds series 1991 maturing in various annual installments, interest payable semi-annually at various rates		120,000		120,000
$3,411,538 School Bonds series 1991B issued July 31, 1991 maturing in various annual installments through July 31, 2011 interest payable semi-annually at rates from 4.850% to 6.60%		434,381		213,398
$2,427,547 School Bonds, Series 1995A, issued December 21, 1995, maturing in various annual installments through July 15, 2015, interest rate at 5.23%		819,020		130,183
$3,170,000 bonds issued May 1, 1997 maturing in various annual installments through January 15, 2018, interest at 5.61%		1,250,000		160,000
Total General Obligation Bonds	$	4,469,554	$	1,016,084

Note 5—Long-Term Obligations: (Continued)

Details of Long-term Obligations: (Continued)

	Amount Outstanding	Amount Due within One Year
Revenue bonds:		
$13,500,000, VRA Sewer System Revenue Bond, Series 2004, issued June 30, 2004, maturing annually from October 1, 2006 through October 1, 2025, interest payable semi-annually at 4.5%	$ 11,665,000	$ 505,000
Premium on Series 2004 VRA Bond	47,194	2,998
$2,556,000 VRA Sewer System Revenue Bond, Series 2005B, issued December 7, 2005, maturing annually from October 1, 2006 through October 1, 2035, interest payable semi-annually at 4.4%	2,372,000	49,000
$7,864,000 VRA Water System Revenue Bond, Series 2005B, issued December 7, 2005, maturing annually from October 1, 2006 through October 1, 2035, interest payable semi-annually at 4.4%	7,298,000	151,000
Premium on 2005B VRA revenue bonds	145,108	9,216
Total Revenue Bonds and Premiums	$ 21,527,302	$ 717,214
State Literary Fund loans:		
$9,000,000 issued July 15, 2007 due in principal annual installments of $450,000 through July 2027, interest at 3.00%	$ 8,100,000	$ 450,000
$5,000,000 issued July 1, 1997 due in principal annual installments of $250,000 through July 2018, interest at 3.00%	2,250,000	250,000
Total State Literary Fund loans	$ 10,350,000	$ 700,000

Note 5—Long-Term Obligations: (Continued)

Details of Long-term Obligations: (Continued)

		Amount Outstanding		Amount Due within One Year
Water & Sewer Bonds (assumed from RSA):				
$3,600,000 2008A refunding revenue bonds, payable to VRA in variable semi-annual installments, interest at 2.947% to 4.712% through 2019. Greene County assumed $1,080,000 of this debt.	$	898,500	$	91,500
$2,380,000 1998 revenue bonds, payable to VRA in monthly installments of $13,193, interest at 3.75% to 5.00% through 2029. Greene County assumed all of this debt.		1,860,000		60,000
$10,590,000 2001 revenue bonds, payable to VRA in variable semi-annual installments, interest at 4.10% to 5.23% through 2026. Greene County assumed $3,232,682 of this debt.		2,721,129		115,512
$6,555,000 2002 revenue bonds, payable to VRA in variable semi-annual installments, interest at 4.90% to 5.50% through 2019. Greene County assumed $280,750 of this debt.		210,500		19,500
Total Water & Sewer Bonds (assumed from RSA)	$	5,690,129	$	286,512
Notes payable:				
$218,207 note payable issued July 24, 2006, total payments of $13,636 due semi-annually through July 24, 2016, interest at 4.45%	$	150,583	$	21,388
$600,000 note payable issued April 5, 2007, total payments of $36,783 due semi-annually through April 5, 2017, interest at 4.05%		444,517		56,125
Total Notes Payable	$	595,100	$	77,513

Note 5—Long-Term Obligations: (Continued)

Details of Long-term Obligations: (Continued)

		Amount Outstanding		Amount Due within One Year
Capital leases:				
$93,500 Capital lease obligation for the lease/purchase of vehicles, payable in annual installments of $33,546 through July 31, 2011, interest at 3.77%	$	63,479	$	31,152
$80,000 Capital lease obligation for the lease/purchase of vehicles, payable in annual installments of $28,719 through July 31, 2012, interest at 3.77%		80,000		25,725
$37,700 Capital lease obligation for the lease/purchase of vehicles, payable in annual installments of $13,161 through July 31, 2012, interest at 3.77%		37,700		12,647
$72,336 Capital lease obligation for the lease/purchase of vehicles, payable in annual installments of $26,342 through July 10, 2015, interest at 4.50%		25,208		25,208
$92,220 Capital lease obligation for the lease/purchase of vehicles and courthouse equipment, payable in annual installments of $33,547 through July 15, 2010, interest at 4.50%		32,103		32,103
Total Capital Leases	$	238,490	$	126,835
Landfill closure and postclosure liability	$	429,561	$	-
Other post-employment benefits	$	12,795	$	-
Compensated absences	$	425,098	$	42,510
Grand total general government long-term obligations	$	43,738,029	$	2,966,668

Note 5—Long-Term Obligations: (Continued)

Component Unit—School Board:

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

Year Ending	Capital Leases		Early Retirement Obligations	
June 30,	Principal	Interest	Principal	Interest
2011	$ 119,406	$ 17,725	$ 40,580	$ 13,016
2012	124,287	12,844	43,826	10,130
2013	129,368	7,763	47,332	7,008
2014	62,326	2,474	37,707	3,636
Totals	$ 435,387	$ 40,806	$ 169,445	$ 33,790

The following is a summary of long-term obligation transactions of the School Board for the year ended June 30, 2010:

	Amounts payable at July 1, 2009	Increases	Decreases	Amounts payable at June 30, 2010	Due Within One Year
Capital Leases	$ 288,725	$ 200,000	$ 53,338	$ 435,387	$ 119,406
Compensated absences	497,218	-	3,547	493,671	49,367
Other post-employment benefits	223,600	223,415	-	447,015	-
Early retirement obligations	205,792	-	36,346	169,446	40,580
Total long-term debt	$ 1,215,335	$ 423,415	$ 93,231	$ 1,545,519	$ 209,353

Note 5—Long-Term Obligations: (Continued)

Details of Long-term Obligations:

		Amount Outstanding		Amount Due Within One Year
Capital leases:				
$200,000 Capital lease obligation dated July 15, 2009 for acquisition of 2 school buses and athletic equipment, payable in annual installments of $72,330 through July 15, 2012, interest at 4.19%	$	200,000	$	63,950
$288,725 Capital lease obligation dated July 31, 2008 for acquisition of 4 school buses, payable in annual installments of $64,801 through July 15, 2013, interest at 3.97%	$	235,387	$	55,456
Total capital lease obligations	$	435,387	$	119,406
Accrued compensated absences	$	493,671	$	49,367
Other post-employment benefits	$	447,015	$	-
Early Retirement Obligation Payable:				
The School Board adopted the early retirement incentive program offered by the Virginia Retirement System in fiscal year ended June 30, 1992	$	169,446	$	40,580
Total Long-Term Obligation Component Unit Schools	$	1,545,519	$	209,353

Note 6—Contingent Liabilities:

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

Note 7—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 carries commercial insurance for all of these risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 8—Litigation:

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

Note 9—Surety Bonds:

	Amount
Fidelity and Deposit Company of Maryland - Surety	
Marie C. Durrer, Clerk of the Circuit Court	$ 25,000
Gail S. Berry, Treasurer	400,000
Larry V. Snow, Commissioner of the Revenue	3,000
J. Scott Haas, Sheriff	30,000
Above constitutional officers' employees - blanket bond	50,000
American and Foreign Insurance Company - Surety	
All School Board Employees	5,000
The Continental Insurance Company	
James Howard, Director of Social Services	100,000
Western Surety Company - Surety	
Steve Catalano, Chairman	5,000
Buggs Peyton - Vice-Chairman	5,000
Jim Frydl	5,000
Carl Schmitt	5,000
Mike Skeens	5,000
Barry Clark, County Administrator	10,000

Note 10—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 employees of participating employers must participate in the VRS. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service (age 60 for participating local law enforcement officers, firefighters, and sheriffs) or at age 50 with at least 30 years of service if elected by the employer (age 50 with at least 25 years of service for participating local law enforcement officers, firefighters, and sheriffs) payable monthly for life in an amount equal to 1.70% of their average final compensation (AFC) for each year of credited service (1.85% for sheriffs and if the employer elects, for other employees in hazardous duty positions receiving enhanced benefits). Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for annual cost-of-living adjustment (COLA) beginning in their second year of retirement. The COLA is limited to 5.00% per year. AFC is defined as the highest consecutive 36 months of reported compensation. Participating local law enforcement officers, firefighters, and sheriffs may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

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

B. Funding Policy

Primary Government

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their annual salary to the VRS. The County has elected to assume the 5.00% member contribution. In addition, the County is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County's contribution rate for the fiscal year ended 2010 was 8.38% of annual covered payroll.

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

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their annual salary to the VRS. The County has elected to assume the 5.00% member contribution. In addition, the County is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The School Board's contribution rate for the fiscal year ended 2010 was 7.59% of annual covered payroll.

Note 10—Defined Benefit Pension Plan: (Continued)

C. Annual Pension Cost

Primary Government

For fiscal year 2010, the County's annual pension cost of $384,107 was equal to the County's required and actual contributions (does not include employee share in the amount of $229,181 which was assumed by the County).

Three-Year Trend Information for County – Primary Government

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2008	$ 341,128	100%	$ -
June 30, 2009	389,161	100%	-
June 30, 2010	384,107	100%	-

The required contribution was determined as part of the June 30, 2007 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2007 included (a) an investment rate of return (net of administrative expenses) of 7.50%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the County's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The County's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2008 was 20 years.

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

For fiscal year 2010, the School Board's annual pension cost of $130,078 was equal to the School Board's required and actual contributions (does not include employee share in the amount of $85,690 which was assumed by the School Board).

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

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2008	$ 119,355	100%	$ -
June 30, 2009	128,900	100%	-
June 30, 2010	130,078	100%	-

Note 10—Defined Benefit Pension Plan: (Continued)

C. Annual Pension Cost: (Continued)

The required contribution was determined as part of the June 30, 2007 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2007 included (a) an investment rate of return (net of administrative expenses) of 7.50%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the School Board's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. School Board's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2008 was 20 years.

D. Funded Status and Funding Progress

Primary Government

As of June 30, 2009, the most recent actuarial valuation date, the plan was 90.77% funded. The actuarial accrued liability for benefits was $12,680,170, and the actuarial value of assets was $11,510,200, resulting in an unfunded actuarial accrued liability (UAAL) of $1,169,970. The covered payroll (annual payroll of active employees covered by the plan) was $4,633,066, and ratio of the UAAL to the covered payroll was 25.25%.

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

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

As of June 30, 2009, the most recent actuarial valuation date, the plan was 90.07% funded. The actuarial accrued liability for benefits was $6,046,364, and the actuarial value of assets was $5,446,167, resulting in an unfunded actuarial accrued liability (UAAL) of $600,197. The covered payroll (annual payroll of active employees covered by the plan) was $1,697,029, and ratio of the UAAL to the covered payroll was 35.37%.

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

Note 10—Defined Benefit Pension Plan: (Continued)

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

Plan Description

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

Funding Policy

Plan members are required to contribute 5.00% of their annual covered salary and Greene County School Board is required to contribute at an actuarially determined rate. The current rate is 8.81% of annual covered payroll. The contribution requirements of plan members and Greene County School Board are established and may be amended by the VRS Board of Trustees. The School Board's contributions to VRS for the years ending June 30, 2010, 2009, and 2008 were $1,713,408, $1,360,537, and $1,532,810 respectively, equal to the required contributions for each year.

Note 11—Interfund Transfers:

Interfund transfers for the year ended June 30, 2010 consisted of the following:

Fund	Transfers In	Transfers Out
County:		
General fund	$ 1,290,139	$ -
Debt Service fund	-	1,290,139
Total County	$ 1,290,139	$ 1,290,139
Component Unit School Board:		
School Operating Fund	$ -	$ 529,020
School Cafeteria Fund	529,020	-
Total Component Unit School Board	$ 529,020	$ 529,020

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

Note 12—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 totaling $10,692,002 is comprised of the following:

A. Deferred Property Tax Revenue

Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled $10,063,534 at June 30, 2010.

B. Prepaid taxes

Property taxes due subsequent to June 30, 2010 but paid in advance by the taxpayers totaled $628,468 as of June 30, 2010.

Note 13—Interfund Obligations/Due to/From Primary Government/Component Units:

Fund	Interfund Receivable	Interfund Payable
Primary Government - General Fund	$ -	$ 933,748
Component Unit - School Board	933,748	-
Total	$ 933,748	$ 933,748

The purpose of the interfund obligation between the County and School Board is to report the balance of local appropriations unspent at year-end due back to the respective funds.

Note 14—Landfill Closure and Post-Closure Care Costs:

The County operates a solid waste landfill in such a manner as to comply with laws and regulations administered by the United States Environmental Protection Agency and Virginia Department of Waste Management. The $429,561 reported as landfill closure and post closure liability at June 30, 2010, represents $386,853 for closure and post closure care liability and $42,708 for underground tank coverage. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County intends to fund future costs from funds accumulated for this purpose in the General Fund.

The County has demonstrated financial assurance requirements for closure, post-closure care, and corrective action 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.

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 11, the County provides post-retirement healthcare insurance benefits for employees who are eligible for retirement benefits. Individuals who retire from the County with full VRS benefits (i.e. 50 years of age and 30 years of continuous service) and have 15 years of service with the County, may elect to remain on the County's insurance plan, at their own cost, until age 65 when they become eligible for Medicare, at which time benefits cease. The retiree's spouse can receive benefits under the plan with the premium to be paid by the retiree.

B. Funding Policy

Eligible retirees from the County may elect to remain on the County's health and dental insurance plans, at their expense, until they reach age 65 or become eligible for Medicare. Retirees' spouses may also remain on the County Plan at the retiree's expense.

C. Annual OPEB Cost and Net OPEB Obligation:

The County's annual other postemployment 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 of not to exceed thirty years. The following table shows the components of the annual OPEB cost for the year, the County's amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual required contribution	$	6,400
Interest on net OPEB obligation		256
Adjustment to annual required contribution		(261)
Annual OPEB cost (expense)	$	6,395
Estimated contributions made		-
Increase in net OPEB obligation	$	6,395
Net OPEB obligation - beginning of year		6,400
Net OPEB obligation - end of year	$	12,795

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

County: (Continued)

Background: (Continued)

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

For 2010, the County's expected cash payment of $0 was $6,395 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 2010 and 2009 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2009	$ 6,400	0%	$ 6,400
June 30, 2010	$ 6,395	0%	$ 12,795

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2008 is as follows:

Actuarial accrued liability (AAL)	$ 40,200
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	40,200
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	4,804,500
UAAL as a percentage of covered payroll	0.84%

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 liabilities for benefits.

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

County: (Continued)

Background: (Continued)

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

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of the valuation and the historical pattern of sharing of benefit costs between the employer and 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.

In the July 1, 2008 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return and an annual healthcare cost trend rate of 10.00 percent initially, reduced by decrements to an ultimate rate of 5.50 percent after 5 years. Both rates included a 3.00 percent 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-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, 2008 was 30 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 nor 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

	Unfunded
Discount rate	4.00%
Health cost trend assumption	8.10% graded to 4.50% over 80 years
Payroll growth	None assumed

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

School Board:

A. Plan Description

In addition to the pension benefits described in Note 11, the School Board provides post-retirement healthcare insurance benefits for employees who are eligible for retirement benefits. Individuals who retire from the School Board with full VRS benefits (i.e. 50 years of age and 30 years of continuous service) and have 15 years of service with the School Board, may elect to remain on the School Board's insurance plan, at their own cost, until age 65 when they become eligible for Medicare, at which time benefits cease. The retiree's spouse can receive benefits under the plan with the premium to be paid by the retiree.

B. Funding Policy

Eligible retirees from the School Board may elect to remain on the School Board's health insurance plan, at their expense, indefinitely. Retirees' spouses and other dependents may also remain on the plan at the retiree's expense.

C. Annual OPEB Cost and Net OPEB Obligation:

The School Board's annual other postemployment 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 show the components of the annual OPEB cost for the year, the School Board's amount actually contributed to the plan, and changes in the School Board's net OPEB obligation:

Annual required contribution	$	223,600
Interest on net OPEB obligation		8,944
Adjustment to annual required contribution		(9,129)
Annual OPEB cost (expense)	$	223,415
Estimated contributions made		-
Increase in net OPEB obligation	$	223,415
Net OPEB obligation - beginning of year		223,600
Net OPEB obligation - end of year	$	447,015

For 2010, the School Board's expected cash payment of $0 was $223,415 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 2010 and 2009 are as follows:

Fiscal Year Ended		Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed		Net OPEB Obligation
June 30, 2009	$	223,600	0%	$	223,600
June 30, 2010	$	223,415	0%	$	447,015

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

School Board: (Continued)

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

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2008 is as follows:

Actuarial accrued liability (AAL)	$	2,444,000
Actuarial value of plan assets		-
Unfunded actuarial accrued liability (UAAL)		2,444,000
Funded ratio (actuarial value of plan assets/AAL)		0%
Covered payroll (active plan members)		16,299,700
UAAL as a percentage of covered payroll		14.99%

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 liabilities for benefits.

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 then 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.

In July 1, 2008 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return and an annual healthcare cost trend rate of 10.00 percent initially, reduced by decrements to an ultimate rate of 5.5 percent after 5 years. Both rates included 3.0 percent 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, 2008 was 30 years.

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

School Board: (Continued)

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

Cost Method

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

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

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

Interest Assumptions

	Unfunded
Discount rate	4.00%
Health cost trend assumption	8.10% graded to 4.50% over 80 years
Payroll growth	None assumed

Required Supplementary Information

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Schedule of Revenues, Expenditures, and Change in Fund Balance -
Budget and Actual - General Fund
For the Year Ended June 30, 2010

	General Fund			
	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Revenues:				
General property taxes	$ 15,570,702	$ 15,570,702	$ 16,457,255	$ 886,553
Other local taxes	3,474,500	3,522,138	3,789,119	266,981
Permits, privilege fees and regulatory licenses	282,100	282,100	281,684	(416)
Fines and forfeitures	136,200	136,200	183,417	47,217
Revenue from use of money and property	47,460	47,460	52,668	5,208
Charges for services	4,413,072	4,433,552	2,258,311	(2,175,241)
Miscellaneous	130,229	227,237	200,312	(26,925)
Recovered costs	4,671	4,671	7,955	3,284
Intergovernmental:				
Commonwealth	5,305,949	5,738,656	5,468,817	(269,839)
Federal	1,376,722	1,545,901	1,265,469	(280,432)
Total revenues	$ 30,741,605	$ 31,508,617	$ 29,965,007	$ (1,543,610)
Expenditures:				
General government administration:				
Legislative:				
Board of supervisors	$ 88,294	$ 88,294	$ 87,005	$ 1,289
General and financial administration:				
County administrator	$ 488,055	$ 476,746	$ 429,532	$ 47,214
Legal services	40,732	41,635	41,634	1
Independent auditor	41,500	47,426	47,426	-
Commissioner of the Revenue	184,098	189,565	189,560	5
Reassessment	148,835	148,835	141,968	6,867
Treasurer	288,620	309,100	282,450	26,650
Computer technology	100,755	100,755	84,655	16,100
Vehicle maintenance facility	1,059,624	1,059,623	780,699	278,924
Total general and financial administration	$ 2,352,219	$ 2,373,685	$ 1,997,924	$ 375,761
Board of Elections:				
Electoral board and officials	$ 126,981	$ 126,981	$ 109,541	$ 17,440
Total general government administration	$ 2,567,494	$ 2,588,960	$ 2,194,470	$ 394,490

Schedule of Revenues, Expenditures, and Change in Fund Balance -
Budget and Actual - General Fund
For the Year Ended June 30, 2010 (continued)

	General Fund			
Fund, Function, Activity, Element	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Judicial administration:				
Courts:				
Circuit court	$ 24,988	$ 24,988	$ 16,715	$ 8,273
Combined Courts	11,415	11,415	9,699	1,716
Special magistrates	1,000	1,000	747	253
Juvenile and domestic relations district court	17,015	17,015	14,904	2,111
Clerk of the circuit court	412,656	412,656	332,206	80,450
Victim and witness assistance	39,130	39,215	38,660	555
Total courts	$ 506,204	$ 506,289	$ 412,931	$ 93,358
Commonwealth's attorney:				
Commonwealth's attorney	$ 209,858	$ 275,003	$ 238,690	$ 36,313
Total judicial administration	$ 716,062	$ 781,292	$ 651,621	$ 129,671
Public safety:				
Law enforcement and traffic control:				
Sheriff	$ 2,365,612	$ 2,451,041	$ 2,399,896	$ 51,145
Technology grant	-	51,275	49,642	1,633
DMV overtime grant	-	18,418	13,528	4,890
School resource officer	108,428	108,428	102,483	5,945
Byrne grant	-	27,993	27,659	334
Forfeited property	-	13,032	1,903	11,129
Donations	-	4,442	2,406	2,036
COPS secure our schools	-	71,971	71,970	1
Emergency 911 system	563,371	703,371	599,851	103,520
Wireless funds	53,478	53,478	38,632	14,846
Total law enforcement and traffic control	$ 3,090,889	$ 3,503,449	$ 3,307,970	$ 195,479
Fire and rescue services:				
Volunteer fire departments and rescue squads	$ 530,000	$ 564,051	$ 551,729	$ 12,322
Other fire and rescue	317,197	349,677	339,676	10,001
Total fire and rescue services	$ 847,197	$ 913,728	$ 891,405	$ 22,323
Correction and detention:				
Confinement of prisoners	$ 2,238	$ 2,238	$ 1,507	$ 731
Payment to regional jail	439,293	439,293	439,293	-
Juvenile detention homes	60,556	60,556	29,476	31,080
Total correction and detention	$ 502,087	$ 502,087	$ 470,276	$ 31,811

Schedule of Revenues, Expenditures, and Change in Fund Balance -
Budget and Actual - General Fund
For the Year Ended June 30, 2010 (continued)

	General Fund			
Fund, Function, Activity, Element	**Original Budget**	**Budget As Amended**	**Actual**	**Variance From Amended Budget Positive (Negative)**
Public Safety: (continued)				
Inspections:				
Building	$ 437,770	$ 437,770	$ 303,428	$ 134,342
Other protection:				
Animal shelter	$ 90,954	$ 96,406	$ 88,071	$ 8,335
Civil defense	91,665	91,665	81,631	10,034
Animal control	139,257	139,257	117,743	21,514
Medical examiner	350	350	180	170
Total other protection	$ 322,226	$ 327,678	$ 287,625	$ 40,053
Total public safety	$ 5,200,169	$ 5,684,712	$ 5,260,704	$ 424,008
Public works:				
Sanitation and waste removal:				
Refuse disposal	$ 2,855,546	$ 2,855,546	$ 1,499,197	$ 1,356,349
Maintenance of general buildings and grounds:				
General properties	$ 381,538	$ 388,283	$ 337,493	$ 50,790
Total public works	$ 3,237,084	$ 3,243,829	$ 1,836,690	$ 1,407,139
Health and welfare:				
Health:				
Local health department	$ 251,184	$ 251,184	$ 251,176	$ 8
Mental health and mental retardation:				
Chapter X board	$ 77,278	$ 77,278	$ 76,828	$ 450
Welfare:				
Welfare administration and public assistance	$ 1,749,381	$ 1,749,381	$ 1,440,558	$ 308,823
Comprehensive services act	1,694,000	1,694,000	1,299,657	394,343
Area agency on aging	83,243	83,243	83,237	6
Shelter for help in emergency	10,193	10,193	10,193	-
Total welfare	$ 3,536,817	$ 3,536,817	$ 2,833,645	$ 703,172
Total health and welfare	$ 3,865,279	$ 3,865,279	$ 3,161,649	$ 703,630

Schedule of Revenues, Expenditures, and Change in Fund Balance -
Budget and Actual - General Fund
For the Year Ended June 30, 2010 (continued)

	General Fund			
Fund, Function, Activity, Element	**Original Budget**	**Budget As Amended**	**Actual**	**Variance From Amended Budget Positive (Negative)**
Education:				
Contributions to community colleges	$ 4,233	$ 4,233	$ 4,233	$ -
Contribution to Component Unit - School Board	8,951,885	8,951,885	8,637,774	314,111
Total education	$ 8,956,118	$ 8,956,118	$ 8,642,007	$ 314,111
Parks, recreation, and cultural:				
Parks and recreation:				
Parks and recreation administration	$ 206,136	$ 219,136	$ 200,160	$ 18,976
Library:				
Regional library	$ 300,709	$ 300,709	$ 298,009	$ 2,700
Total parks, recreation, and cultural	$ 506,845	$ 519,845	$ 498,169	$ 21,676
Community development:				
Planning and community development:				
Planning	$ 314,355	$ 314,355	$ 288,482	$ 25,873
Community development	1,152,711	1,329,580	1,090,307	239,273
Zoning board	9,685	9,685	4,132	5,553
Economic development	134,949	186,410	185,833	577
Total planning and community development	$ 1,611,700	$ 1,840,030	$ 1,568,754	$ 271,276
Environmental management:				
Soil and water conservation district	$ 10,614	$ 10,614	$ 10,614	$ -
Cooperative extension program:				
VPI extension program	$ 121,692	$ 121,692	$ 116,379	$ 5,313
Total community development	$ 1,744,006	$ 1,972,336	$ 1,695,747	$ 276,589
Nondepartmental:				
Miscellaneous	$ 184,068	$ 145,662	$ 21,595	$ 124,067
Capital projects:				
Recreation facilities	$ -	$ 19,744	$ -	$ 19,744

Schedule of Revenues, Expenditures, and Change in Fund Balance -
Budget and Actual - General Fund
For the Year Ended June 30, 2010 (continued)

	General Fund			
Fund, Function, Activity, Element	**Original Budget**	**Budget As Amended**	**Actual**	**Variance From Amended Budget Positive (Negative)**
Capital projects: (Continued)				
Sewer project	$ -	$ 568,265	$ 568,264	$ 1
Water system Improvements	-	759,907	759,906	1
Blue Ridge Juvenile Detention Center	40,902	40,902	40,902	-
Total capital projects	$ 40,902	$ 1,388,818	$ 1,369,072	$ 19,746
Debt service:				
Principal retirement	$ 2,791,770	$ 2,791,770	$ 1,866,021	$ 925,749
Interest and fiscal charges	1,996,278	1,996,278	600,171	1,396,107
Total debt service	$ 4,788,048	$ 4,788,048	$ 2,466,192	$ 2,321,856
Total expenditures	$ 31,806,075	$ 33,934,899	$ 27,797,916	$ 6,136,983
Excess (deficiency) of revenues over expenditures	$ (1,064,470)	$ (2,426,282)	$ 2,167,091	$ 4,593,373
Other financing sources (uses):				
Issuance of capital leases	$ -	$ -	$ 117,700	$ 117,700
Transfers in	-	-	1,290,139	1,290,139
Total other financing sources (uses)	$ -	$ -	$ 1,407,839	$ 1,407,839
Change in fund balance	$ (1,064,470)	$ (2,426,282)	$ 3,574,930	$ 6,001,212
Fund balance at beginning of year	1,064,470	2,426,282	9,918,981	7,492,699
Fund balance at end of year	$ -	$ -	$ 13,493,911	$ 13,493,911

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

County:

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded (Excess Funded) Actuarial Accrued Liability (UAAL)	Funded Ratio (2) / (3)	Annual Covered Payroll	UAAL as % of Payroll (4) / (6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2009	$ 11,510,200	$ 12,680,170	$ 1,169,970	90.77%	$ 4,633,066	25.25%
6/30/2008	10,841,960	11,876,082	1,034,122	91.29%	4,519,956	22.88%
6/30/2007	9,540,484	10,414,386	873,902	91.61%	4,184,108	20.89%

Discretely Presented Component Unit - School Board
Non-Professionals:

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded (Excess Funded) Actuarial Accrued Liability (UAAL)	Funded Ratio (2) / (3)	Annual Covered Payroll	UAAL as % of Payroll (4) / (6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2009	$ 5,446,167	$ 6,046,364	$ 600,197	90.07%	$ 1,697,029	35.37%
6/30/2008	5,335,026	5,689,217	354,191	93.77%	1,716,988	20.63%
6/30/2007	4,723,611	5,326,115	602,504	88.69%	1,581,836	38.09%

Schedule of Other Post-Employment Benefits Funding Progress
Last Fiscal Year

Primary Government:

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded (Excess Funded) Actuarial Accrued Liability (UAAL)	Funded Ratio (2) / (3)	Annual Covered Payroll	UAAL as % of Payroll (4) / (6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
7/1/2008	$ -	$ 40,200	$ 40,200	0.00%	$ 4,804,500	0.84%

Discretely Presented Component Unit - School Board

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded (Excess Funded) Actuarial Accrued Liability (UAAL)	Funded Ratio (2) / (3)	Annual Covered Payroll	UAAL as % of Payroll (4) / (6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
7/1/2008	$ -	$ 2,444,000	$ 2,444,000	0.00%	$ 16,299,700	14.99%

Other Supplementary Information

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Combining and Individual Fund Statements and Schedules

Schedule of Revenues, Expenditures, and Change in Fund Balance -
Budget and Actual - Debt Service Fund
For the Year Ended June 30, 2010

	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Revenues:				
Revenue from use of money and property	$ -	$ -	$ 77,398	$ 77,398
Charges for services	-	-	920,000	920,000
Total revenues	$ -	$ -	$ 997,398	$ 997,398
Expenditures:				
Debt service:				
Principal retirement	$ -	$ -	$ 947,311	$ (947,311)
Interest and fiscal charges	-	-	1,304,700	(1,304,700)
Total debt service	$ -	$ -	$ 2,252,011	$ (2,252,011)
Total expenditures	$ -	$ -	$ 2,252,011	$ (2,252,011)
Excess (deficiency) of revenues over expenditures	$ -	$ -	$ (1,254,613)	$ (1,254,613)
Other financing sources (uses):				
Transfers (out)	$ -	$ -	$ (1,290,139)	$ (1,290,139)
Total other financing sources (uses)	$ -	$ -	$ (1,290,139)	$ (1,290,139)
Change in fund balance	$ -	$ -	$ (2,544,752)	$ (2,544,752)
Fund balance at beginning of year	-	-	6,613,030	6,613,030
Fund balance at end of year	$ -	$ -	$ 4,068,278	$ 4,068,278

Schedule of Change in Assets and Liabilities -
Agency Fund
For the Year Ended June 30, 2010

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Special welfare:				
Assets:				
Cash and cash equivalents	$ 28,543	$ 12,437	$ 12,847	$ 28,133
Liabilities:				
Amounts held for social services clients	$ 28,543	$ 12,437	$ 12,847	$ 28,133

Discretely Present Component Unit-School Board

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Combining Balance Sheet - Discretely Presented Component Unit - School Board
June 30, 2010

		School Operating Fund		School Cafeteria Fund		Total Governmental Funds
ASSETS						
Cash and cash equivalents	$	-	$	113,373	$	113,373
Due from general government		933,748		-		933,748
Due from other funds		-		14,679		14,679
Due from other governmental units		1,543,524		-		1,543,524
Total assets	$	2,477,272	$	128,052	$	2,605,324
LIABILITIES						
Accounts payable	$	3,520	$	-	$	3,520
Accrued liabilities		2,459,073		-		2,459,073
Due to other funds		14,679		-		14,679
Total liabilities	$	2,477,272	$	-	$	2,477,272
FUND BALANCES						
Unreserved:						
Designated for subsequent expenditures	$	-	$	128,052	$	128,052
Total fund balances	$	-	$	128,052	$	128,052

Detailed explanation of adjustments from fund statements to government-wide statement of net assets:

When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the School Board as a whole.		7,783,743
Interest on capital leases is not accrued in governmental funds, but rather is recognized as an expenditure when due.		(28,721)
Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities--both current and long-term--are reported in the statement of net assets.		(1,545,519)
Net assets of Discretely Presented Component Unit - School Board	$	6,337,555

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Funds - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2010

	School Operating Fund	School Cafeteria Fund	Total Governmental Funds
Revenues:			
Revenue from use of money and property	$ 8,370	$ -	$ 8,370
Charges for services	67,136	531,047	598,183
Miscellaneous	346,533	24,460	370,993
Recovered costs	702,021	-	702,021
Intergovernmental:			
County contribution to School Board	8,637,774	-	8,637,774
Commonwealth	15,544,931	-	15,544,931
Federal	3,763,198	-	3,763,198
Total revenues	$ 29,069,963	$ 555,507	$ 29,625,470
Expenditures:			
Current:			
Education	$ 28,621,331	$ 1,082,447	$ 29,703,778
Debt service:			
Principal retirement	89,684	-	89,684
Interest	29,928	-	29,928
Total expenditures	$ 28,740,943	$ 1,082,447	$ 29,823,390
Excess (deficiency) of revenues over expenditures	$ 329,020	$ (526,940)	$ (197,920)
Other financing sources (uses):			
Issuance of capital lease	$ 200,000	$ -	$ 200,000
Transfers in	-	529,020	529,020
Transfers (out)	(529,020)	-	(529,020)
Total other financing sources (uses)	$ (329,020)	$ 529,020	$ 200,000
Change in fund balance	$ -	$ 2,080	$ 2,080
Fund balance at beginning of year	-	125,972	125,972
Fund balance at end of year	$ -	$ 128,052	$ 128,052

Reconciliation of Schedule of Revenues, Expenditures, and Change in Fund Balance
to the Statement of Activities - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2010

		Component Unit School Board
Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 2,080
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period computed as follows:		
Capital additions	$ 291,910	
Depreciation expense	(516,682)	(224,772)
The issuance of capital 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. A summary of items supporting this adjustment is as follows:		
Capital lease proceeds	$ (200,000)	
Principal retired on capital lease obligatons	53,338	
Principal retired on early retirement obligations	36,346	(110,316)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. This amount reflects the changes in accrued leave, other post-employment benefits, and accrued interest payable.		
Change in accrued leave	$ 3,547	
Change in other post-employment benefits liability	(223,415)	
Change in interest payable	(5,822)	(225,690)
Transfer of joint tenancy assets from Primary Government to the Component Unit		1,008,847
Change in net assets of governmental activities		$ 450,149

COUNTY OF GREENE, VIRGINIA

Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2010

	School Operating Fund			
	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Revenues:				
Revenue from use of money and property	$ 6,000	$ 6,000	$ 8,370	$ 2,370
Charges for services	20,000	20,000	67,136	47,136
Miscellaneous	297,500	297,500	346,533	49,033
Recovered costs	488,940	488,940	702,021	213,081
Intergovernmental:				
County contribution to School Board	8,951,885	8,951,885	8,637,774	(314,111)
Commonwealth	16,807,594	16,807,594	15,544,931	(1,262,663)
Federal	3,199,483	3,199,483	3,763,198	563,715
Total revenues	$ 29,771,402	$ 29,771,402	$ 29,069,963	$ (701,439)
Expenditures:				
Current:				
Education				
Instruction	$ 24,142,460	$ 24,142,460	$ 23,306,591	$ 835,869
Administration, attendance and health	1,350,007	1,350,007	1,301,503	48,504
Pupil transportation	1,490,897	1,490,897	1,570,474	(79,577)
Operation and maintenance	2,377,537	2,377,537	2,442,763	(65,226)
Facilities	8,000	8,000	-	8,000
Food service	-	-	-	-
Total education	$ 29,368,901	$ 29,368,901	$ 28,621,331	$ 747,570
Debt service:				
Principal retirement	$ -	$ -	$ 89,684	$ (89,684)
Interest	2,501	2,501	29,928	(27,427)
Total debt service	$ 2,501	$ 2,501	$ 119,612	$ (117,111)
Total expenditures	$ 29,371,402	$ 29,371,402	$ 28,740,943	$ 630,459
Excess (deficiency) of revenues over expenditures	$ 400,000	$ 400,000	$ 329,020	$ (70,980)
Other financing sources (uses):				
Issuance of capital lease	$ -	$ -	$ 200,000	$ 200,000
Transfers in	-	-	-	-
Transfers (out)	(400,000)	(400,000)	(529,020)	(129,020)
Total other financing sources (uses)	$ (400,000)	$ (400,000)	$ (329,020)	$ 70,980
Change in fund balance	$ -	$ -	$ -	$ -
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	$ -	$ -	$ -	$ -

School Cafeteria Fund			
Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
$ -	$ -	$ -	$ -
-	-	531,047	531,047
-	-	24,460	24,460
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
$ -	$ -	$ 555,507	$ 555,507
$ -	$ -	$ -	$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	1,082,447	(1,082,447)
$ -	$ -	$ 1,082,447	$ (1,082,447)
$ -	$ -	$ -	$ -
-	-	-	-
$ -	$ -	$ -	$ -
$ -	$ -	$ 1,082,447	$ (1,082,447)
$ -	$ -	$ (526,940)	$ (526,940)
$ -	$ -	$ -	$ -
-	-	529,020	529,020
-	-	-	-
$ -	$ -	$ 529,020	$ 529,020
$ -	$ -	$ 2,080	$ 2,080
-	-	125,972	125,972
$ -	$ -	$ 128,052	$ 128,052

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Supporting Schedule

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

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary government:				
General fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	$ 12,590,038	$ 12,590,038	$ 12,851,069	$ 261,031
Real and personal public service corporation taxes	270,397	270,397	373,803	103,406
Personal property taxes	2,315,114	2,315,114	2,860,361	545,247
Mobile home taxes	47,668	47,668	(220)	(47,888)
Machinery and tools taxes	97,485	97,485	131,256	33,771
Penalties	150,000	150,000	159,883	9,883
Interest	100,000	100,000	81,103	(18,897)
Total general property taxes	$ 15,570,702	$ 15,570,702	$ 16,457,255	$ 886,553
Other local taxes:				
Local sales and use taxes	$ 990,000	$ 990,000	$ 1,152,278	$ 162,278
Communication sales and use taxes	564,000	564,000	515,828	(48,172)
Consumer utility taxes	400,000	400,000	441,554	41,554
Business license taxes	330,000	330,000	372,904	42,904
Motor vehicle licenses	325,000	325,000	395,754	70,754
Bank stock taxes	30,000	30,000	60,030	30,030
Taxes on recordation and wills	372,500	372,500	236,004	(136,496)
Transient lodging taxes	38,000	85,638	116,329	30,691
Meals taxes	425,000	425,000	498,438	73,438
Total other local taxes	$ 3,474,500	$ 3,522,138	$ 3,789,119	$ 266,981
Permits, privilege fees and regulatory licenses:				
Animal licenses	$ 8,000	$ 8,000	$ 15,731	$ 7,731
Other permits and licenses	274,100	274,100	265,953	(8,147)
Total permits, privilege fees and regulatory licenses	$ 282,100	$ 282,100	$ 281,684	$ (416)
Fines and Forfeitures:				
Court and other fines and forfeitures	$ 136,200	$ 136,200	$ 183,417	$ 47,217
Revenue from use of money and property:				
Revenue from use of money	$ -	$ -	$ 5,206	$ 5,206
Revenue from use of property	47,460	47,460	47,462	2
Total revenue from use of money and property	$ 47,460	$ 47,460	$ 52,668	$ 5,208

Governmental Funds and Discretely Presented Component Unit
Schedule of Revenues -- Budget and Actual
For the Year Ended June 30, 2010 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary Government: (Continued)				
General Fund: (Continued)				
Revenue from local sources: (continued)				
Charges for services:				
Law library fees	$ 1,200	$ 1,200	$ 1,315	$ 115
Courthouse maintenance	39,000	39,000	58,732	19,732
Commonwealth attorney fees	400	400	434	34
Dog pound fees	3,200	3,200	2,206	(994)
Charges for transportation services	203,150	203,150	96,539	(106,611)
DMV stop fees	-	20,480	21,009	529
After school program fees	381,425	381,425	110,957	(270,468)
Parks and recreation	77,910	77,910	80,982	3,072
Vehicle maintenance facility	861,491	861,491	561,234	(300,257)
Dental fees	-	-	60	60
Charges for landfill operations	2,844,846	2,844,846	1,323,516	(1,521,330)
Other charges for services	450	450	1,327	877
Total charges for services	$ 4,413,072	$ 4,433,552	$ 2,258,311	$ (2,175,241)
Miscellaneous revenue:				
Expenditure refunds	$ 125,729	$ 222,653	$ 213,774	$ (8,879)
Donations	3,500	3,500	452	(3,048)
Miscellaneous	1,000	1,084	(13,914)	(14,998)
Total miscellaneous revenue	$ 130,229	$ 227,237	$ 200,312	$ (26,925)
Recovered costs:				
Health department	$ 4,671	$ 4,671	$ 7,955	$ 3,284
Total recovered costs	$ 4,671	$ 4,671	$ 7,955	$ 3,284
Total revenue from local sources	$ 24,058,934	$ 24,224,060	$ 23,230,721	$ (993,339)
Revenue from the Commonwealth:				
Noncategorical aid:				
Mobile home titling taxes	$ 18,000	$ 18,000	$ 17,425	$ (575)
Auto rental tax	1,800	1,800	1,343	(457)
Motor vehicle titling tax	16,000	16,835	16,835	-

Governmental Funds and Discretely Presented Component Unit
Schedule of Revenues -- Budget and Actual
For the Year Ended June 30, 2010 (continued)

Fund, Major and Minor Revenue Source	**Original Budget**	**Budget As Amended**	**Actual**	**Variance From Amended Budget Positive (Negative)**
Primary Government: (Continued)				
General Fund: (Continued)				
Revenue from the Commonwealth: (Continued)				
Revenue from the Commonwealth: (Continued)				
Noncategorical aid: (Continued)				
Tax on deeds	$ 75,000	$ 75,000	$ 80,971	$ 5,971
DMV-sterilization cat/dog program	-	444	444	-
Rolling stock tax	281	281	230	(51)
Contribution to State of Virginia	(90,572)	(90,572)	(90,572)	-
Personal property tax relief act	2,249,911	2,249,911	2,249,911	-
Total noncategorical aid	$ 2,270,420	$ 2,271,699	$ 2,276,587	$ 4,888
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	$ 178,179	$ 178,179	$ 169,099	$ (9,080)
Sheriff	853,947	853,947	735,202	(118,745)
Commissioner of the Revenue	94,208	94,208	86,677	(7,531)
Treasurer	96,821	96,821	87,278	(9,543)
Registrar/electoral board	50,519	50,519	43,202	(7,317)
Clerk of the Circuit Court	177,304	177,304	171,831	(5,473)
Total shared expenses	$ 1,450,978	$ 1,450,978	$ 1,293,289	$ (157,689)
Other categorical aid:				
Law enforcement grants	$ 23,335	$ 185,235	$ 173,438	$ (11,797)
Litter control	6,500	19,500	-	(19,500)
Fire programs fund	36,000	56,742	47,124	(9,618)
Section 18 transportation grant	89,000	238,669	134,884	(103,785)
Juvenile Justice	10,350	10,350	9,832	(518)
E-911 wireless grant	53,478	53,478	32,305	(21,173)
Forfeited Property	-	8,770	8,730	(40)
Public assistance	315,608	315,608	351,800	36,192
School resource officer	-	0	7,357	7,357
Domestic violence	-	60,012	28,082	(31,930)
Comprehensive services	1,050,280	1,050,280	902,712	(147,568)
Other categorical aid	-	17,335	202,677	185,342
Total other categorical aid	$ 1,584,551	$ 2,015,979	$ 1,898,941	$ (117,038)
Total categorical aid	$ 3,035,529	$ 3,466,957	$ 3,192,230	$ (274,727)
Total revenue from the Commonwealth	$ 5,305,949	$ 5,738,656	$ 5,468,817	$ (269,839)

Governmental Funds and Discretely Presented Component Unit
Schedule of Revenues -- Budget and Actual
For the Year Ended June 30, 2010 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary Government: (Continued)				
General Fund: (Continued)				
Revenue from the federal government:				
Payments in lieu of taxes	$ 37,396	$ 37,396	$ 39,154	$ 1,758
Categorical aid:				
Welfare administration and assistance	$ 946,826	$ 946,826	$ 660,093	$ (286,733)
Section 18 transportation grant	362,500	362,500	235,231	(127,269)
ARRA - Section 18 transportation grant	-	27,200	33,277	6,077
Public safety partnership and community policing	-	121,971	156,200	34,229
Bulletproof vest grant	-	1,275	1,275	-
Transportation safety grant	-	-	16,200	16,200
Homeland security	-	-	21,900	21,900
Forfeited property	-	166	166	-
Local law enforcement block grant	-	-	1,059	1,059
Byrne grant	-	18,264	17,900	(364)
ARRA - Byrne grant	-	303	38,625	38,322
USDA grant	30,000	30,000	44,389	14,389
Total categorical aid	$ 1,339,326	$ 1,508,505	$ 1,226,315	$ (282,190)
Total revenue from the federal government	$ 1,376,722	$ 1,545,901	$ 1,265,469	$ (280,432)
Total general fund	$ 30,741,605	$ 31,508,617	$ 29,965,007	$ (1,543,610)
Debt service fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	$ -	$ -	$ 77,398	$ 77,398
Charges for services:				
Sewer EDU charges	$ -	$ -	$ 510,000	$ 510,000
Water EDU charges	-	-	410,000	410,000
Total charges for services	$ -	$ -	$ 920,000	$ 920,000
Total debt service fund	$ -	$ -	$ 997,398	$ 997,398
Component Unit -- School Board:				
Special revenue funds:				
School operating fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of property	$ 6,000	$ 6,000	$ 8,370	$ 2,370

Governmental Funds and Discretely Presented Component Unit
Schedule of Revenues -- Budget and Actual
For the Year Ended June 30, 2010 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Component Unit -- School Board: (Continued)				
Special revenue funds: (Continued)				
School operating fund: (Continued)				
Revenue from local sources: (Continued)				
Charges for services:				
Charges for education	$ 20,000	$ 20,000	$ 67,136	$ 47,136
Miscellaneous revenue:				
Expenditure refunds	$ 277,500	$ 277,500	$ 203,542	$ (73,958)
Miscellaneous	20,000	20,000	142,991	122,991
Total miscellaneous revenue	$ 297,500	$ 297,500	$ 346,533	$ 49,033
Recovered costs:				
Other payments from another county or city	$ 488,940	$ 488,940	$ 702,021	$ 213,081
Total revenue from local sources	$ 812,440	$ 812,440	$ 1,124,060	$ 311,620
Intergovernmental revenue:				
County contribution to School Board	$ 8,951,885	$ 8,951,885	$ 8,637,774	$ (314,111)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	$ 3,830,930	$ 3,830,930	$ 2,609,676	$ (1,221,254)
Basic school aid	7,951,788	7,951,788	8,088,712	136,924
GED	7,859	7,859	7,859	-
Remedial summer school	58,100	58,100	62,521	4,421
Remedial education - SOQ	152,719	152,719	150,525	(2,194)
Special education - SOQ	1,274,545	1,274,545	1,256,230	(18,315)
Textbook	223,460	223,460	102,419	(121,041)
Vocational standards of quality payments	333,720	333,720	328,924	(4,796)
Fringe benefits	1,189,701	1,189,701	1,009,073	(180,628)
Lottery	171,328	171,328	214,544	43,216
Regional program payments	554,153	554,153	673,356	119,203
Primary class size reduction	234,490	234,490	225,844	(8,646)
Technology	232,000	232,000	232,000	-
Other state funds	592,801	592,801	583,248	(9,553)
Total categorical aid	$ 16,807,594	$ 16,807,594	$ 15,544,931	$ (1,262,663)
Total revenue from the Commonwealth	$ 16,807,594	$ 16,807,594	$ 15,544,931	$ (1,262,663)

Governmental Funds and Discretely Presented Component Unit
Schedule of Revenues -- Budget and Actual
For the Year Ended June 30, 2010 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Component Unit -- School Board: (Continued)				
Special revenue funds: (Continued)				
School operating fund: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Basic adult education	$ 20,000	$ 20,000	$ 20,548	$ 548
Title I	373,270	373,270	329,679	(43,591)
ARRA - Title I	50,000	50,000	63,413	13,413
Title VI-B	651,700	651,700	642,865	(8,835)
ARRA - Title VI-B	414,944	414,944	316,769	(98,175)
Drug-free schools program	12,000	12,000	5,296	(6,704)
School food program grant	388,000	388,000	523,731	135,731
Pre-school SPED	27,000	27,000	23,997	(3,003)
ARRA - Pre-school SPED	-	-	14,006	14,006
ARRA - Ed Tech	-	-	1,555	1,555
Vocational education	51,000	51,000	42,077	(8,923)
Title II	7,000	7,000	2,984	(4,016)
Title III-ESL	15,000	15,000	12,307	(2,693)
ARRA - State fiscal stabilization funds	1,039,569	1,039,569	1,645,408	605,839
Title II part A	150,000	150,000	118,563	(31,437)
Total revenue from the federal government	$ 3,199,483	$ 3,199,483	$ 3,763,198	$ 563,715
Total school operating fund	$ 29,771,402	$ 29,771,402	$ 29,069,963	$ (701,439)
School cafeteria fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	$ -	$ -	$ 531,047	$ 531,047
Miscellaneous revenue:				
Miscellaneous	$ -	$ -	$ 24,460	$ 24,460
Total revenue from local sources	$ -	$ -	$ 555,507	$ 555,507
Total school cafeteria fund	$ -	$ -	$ 555,507	$ 555,507
Grand Total Revenues -- Component Unit -- School Board	$ 29,771,402	$ 29,771,402	$ 29,625,470	$ (145,932)

Other Statistical Information

COUNTY OF GREENE, VIRGINIA

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

Fiscal Year		General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education
2002-03	$	1,644,115 $	402,136 $	2,635,583 $	953,838 $	2,738,166 $	8,268,097
2003-04		1,633,164	393,359	2,872,741	1,043,970	2,674,389	8,448,755
2004-05		1,821,592	482,358	3,197,116	1,724,394	3,194,739	15,880,805
2005-06		2,053,433	594,937	3,723,429	2,029,388	3,589,603	2,391,026
2006-07		2,292,151	647,781	4,157,052	2,323,483	3,501,134	7,993,506
2007-08		2,354,054	669,784	4,608,566	2,601,110	3,041,586	10,093,139
2008-09		2,208,969	732,824	4,964,867	2,686,808	3,545,971	10,102,951
2009-10		2,317,597	728,288	5,168,726	2,157,064	3,141,865	9,977,710

(1) Information only available for eight years.

Recreation and Cultural	Community Development	Nondepart-mental	Capital Outlays	Interest on Debt	Total
$ 300,660	$ 1,054,687	$ 10,670	$ 42,003	$ 845,761	$ 18,895,716
375,284	1,039,621	-	-	796,861	19,278,144
393,634	1,114,216	-	-	1,449,380	29,258,234
427,474	8,209,744	-	-	2,084,232	25,103,266
458,890	1,227,319	-	-	2,398,768	25,000,084
546,068	1,406,092	-	-	2,109,150	27,429,549
798,049	1,554,244	-	-	2,023,856	28,618,539
582,625	1,694,807	-	-	1,870,527	27,639,209

Government-Wide Revenues
Last Eight Fiscal Years (1)

	Program Revenues		
Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
2002-03	$ 1,857,045	$ 3,084,004	$ 113,943
2003-04	2,178,492	3,163,786	-
2004-05	2,986,536	3,552,344	-
2005-06	10,543,409	4,044,916	-
2006-07	6,720,063	3,971,286	-
2007-08	4,417,186	4,271,386	-
2008-09	4,990,757	4,123,823	-
2009-10	3,643,413	4,125,296	202,677

(1) Information only available for eight years.

General Revenues					
General Property Taxes	Other Local Taxes	Grants and Contributions Not Restricted to Specific Programs	Unrestricted Revenues from the Use of Money & Property	Miscellaneous	Total
$ 9,089,537	$ 2,459,949	$ 2,215,356	$ 51,547	$ 231,592	$ 19,102,973
9,736,702	2,735,566	2,263,174	47,530	234,424	20,359,674
10,742,734	3,162,439	2,312,486	265,104	677,831	23,699,474
12,022,144	3,337,544	2,667,282	596,235	472,118	33,683,648
13,599,892	3,443,880	2,463,754	930,857	374,327	31,504,059
14,805,399	3,506,466	2,429,762	787,025	180,310	30,397,534
15,659,705	3,554,550	2,454,781	288,843	219,967	31,292,426
16,501,906	3,789,119	2,406,313	130,067	200,312	30,999,103

COUNTY OF GREENE, VIRGINIA

General Government Expenditures by Function (1) (2) (3)
Last Ten Fiscal Years

Fiscal Year	General Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare
2000-01	$ 862,803	$ 358,019	$ 2,142,957	$ 1,250,896	$ 2,529,045
2001-02	913,699	437,963	2,137,468	1,282,650	2,568,396
2002-03	1,536,967	377,544	2,496,690	836,435	2,734,790
2003-04	1,526,880	368,767	2,658,348	1,015,370	2,666,419
2004-05	1,676,743	457,766	3,093,339	1,773,878	3,191,946
2005-06	1,956,994	560,382	3,770,266	1,945,098	3,578,360
2006-07	1,945,296	622,346	3,928,340	2,125,007	3,500,069
2007-08	2,158,358	678,909	4,531,360	2,554,880	3,443,399
2008-09	2,124,961	656,157	4,776,585	2,541,465	3,566,681
2009-10	2,194,470	651,621	5,260,704	1,836,690	3,161,649

(1) Includes current expenditures of the General Fund and Special Revenue Funds of the Primary Government and its discretely presented Component Unit School Board.

(2) The General Fund contributions to the Component Unit School Board are not included.

(3) Capital outlays are not included.

Table 3

Education	Recreation and Cultural	Community Development	Non-depart-mental	Debt Service	Total
$ 19,896,155	$ 279,330	$ 973,527	$ 71,078	$ 2,300,267	$ 30,664,077
20,551,110	301,007	1,078,276	75,493	2,422,716	31,768,778
21,914,781	298,128	1,049,147	10,670	2,452,014	33,707,166
21,989,672	291,377	1,006,911	5,504	2,347,390	33,876,638
23,617,509	314,040	1,139,356	19,784	2,876,505	38,160,866
25,201,395	348,136	1,334,218	12,410	2,724,879	41,432,138
26,721,702	380,581	1,301,761	21,388	2,888,431	43,434,921
28,547,616	447,416	1,449,780	45,083	2,922,220	46,779,021
29,662,860	706,843	1,587,242	36,260	3,048,763	48,707,817
29,708,011	498,169	1,695,747	21,595	2,585,804	47,614,460

COUNTY OF GREENE, VIRGINIA

General Government Revenues by Source (1) (2)
Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees & Regulatory Licenses	Fines & Forfeitures	Revenues from the Use of Money & Property
2000-01	$ 8,135,917	$ 2,265,106	$ 166,151	$ 305,407	$ 85,953
2001-02	8,348,476	2,338,172	215,253	84,507	105,725
2002-03	9,162,352	2,459,949	242,672	255,701	53,382
2003-04	9,693,895	2,735,566	278,350	156,841	49,507
2004-05	10,610,769	3,162,439	317,924	109,374	303,432
2005-06	11,972,582	3,337,544	497,799	137,339	552,293
2006-07	13,188,509	3,443,880	441,954	169,241	495,375
2007-08	14,826,839	3,506,466	358,989	138,146	231,464
2008-09	15,625,373	3,554,550	316,414	184,505	101,049
2009-10	16,457,255	3,789,119	281,684	183,417	61,038

(1) Includes revenues of the General Fund and Special Revenue Funds of the Primary Government and its discretely presented Component Unit School Board.

(2) The General Fund contributions to the Component Unit School Board are not included.

Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental	Total
$ 1,640,249	$ 636,852	$ -	$ 17,448,605	$ 30,684,240
1,817,512	391,775	303,236	18,848,150	32,452,806
1,865,154	306,654	319,566	18,749,262	33,414,692
2,302,372	507,789	400,027	18,854,418	34,978,765
3,118,779	831,979	454,687	21,297,417	40,206,800
2,930,316	307,704	366,971	23,109,507	43,212,055
3,297,142	631,049	411,988	23,950,701	46,029,839
3,910,145	503,709	903,588	24,653,597	49,032,943
3,638,610	565,264	378,408	26,110,839	50,475,012
2,856,494	571,305	709,976	26,042,415	50,952,703

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) (2)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1)	Percent of Delinquent Taxes to Tax Levy
2000-01	$ 9,320,762	$ 8,896,618	95.45%	$ 467,958	$ 9,364,576	100.47%	$ 698,990	7.50%
2001-02	9,628,396	9,943,938	103.28%	177,012	10,120,950	105.12%	792,534	8.23%
2002-03	11,201,615	10,754,609	96.01%	257,905	11,012,514	98.31%	782,937	6.99%
2003-04	12,104,890	11,397,907	94.16%	228,425	11,626,332	96.05%	793,081	6.55%
2004-05	13,025,347	12,148,545	93.27%	478,118	12,626,663	96.94%	835,569	6.41%
2005-06	14,344,456	13,797,519	96.19%	539,040	14,336,559	99.94%	885,556	6.17%
2006-07	15,769,511	14,618,569	92.70%	622,838	15,241,407	96.65%	1,247,675	7.91%
2007-08	17,357,261	16,094,917	92.73%	726,361	16,821,278	96.91%	1,371,557	7.90%
2008-09	17,946,941	16,947,660	94.43%	693,868	17,641,528	98.30%	1,469,758	8.19%
2009-10	18,483,392	17,711,070	95.82%	755,110	18,466,180	99.91%	1,542,094	8.34%

(1) Exclusive of penalties and interest.
(2) Does not include land redemptions.

Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property	Machinery and Tools (2)	Public Service Corporations	Total
2000-01	$ 745,084,086	$ 71,911,489	$ 16,409,237	$ 38,377,340	$ 871,782,152
2001-02	806,841,672	74,915,950	2,344,867	38,756,547	922,859,036
2002-03	935,331,542	78,067,344	984,980	38,405,840	1,052,789,706
2003-04	947,972,076	81,326,298	N/A	40,217,543	1,069,515,917
2004-05	997,124,352	86,733,245	243,900	36,472,249	1,120,573,746
2005-06	1,105,086,533	94,285,358	451,461	40,120,084	1,239,943,436
2006-07	1,367,588,892	99,210,035	813,020	29,459,777	1,497,071,724
2007-08	1,640,643,742	103,112,893	3,029,713	45,382,646	1,792,168,994
2008-09	1,793,032,015	101,216,300	4,734,675	41,346,332	1,940,329,322
2009-10	1,915,379,116	98,353,196	5,467,998	54,408,605	2,073,608,915

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

(2) 2003-2004 Machinery and Tools assessment was assessed as a supplemental assessment.

Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property	Machinery and Tools
2000-01	$ 0.76/0.74	$ 4.45/4.45	$ 1.55/1.55
2001-02	0.74/0.74	4.45/4.45	1.55/1.55
2002-03	0.74/0.79	4.45/5.00	1.55/2.00
2003-04	0.79/0.84	5.00/5.00	2.00/2.00
2004-05	0.84/0.84	5.00/5.00	2.00/2.00
2005-06	0.84/0.84	5.00/5.00	2.00/2.00
2006-07	0.84/0.72	5.00/5.00	2.00/2.00
2007-08	0.72/0.72	5.00/5.00	2.00/2.00
2008-09	0.72/0.69	5.00/5.00	2.00/2.00
2009-10	0.69/0.69	5.00/5.00	2.00/2.50

(1) Per $100 of assessed value, 1st and 2nd half assessments

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

Fiscal Year	Population (1)	Assessed Value (2)	Gross & Net Bonded Debt (3)	Ratio of Net General Obligation Debt to Assessed Value	Net Bonded Debt per Capita
2000-01	15,244	$ 871,782,152	$ 18,626,307	2.14%	$ 1,222
2001-02	15,244	922,859,036	17,269,169	1.87%	1,133
2002-03	15,244	1,052,789,706	15,907,536	1.51%	1,044
2003-04	15,244	1,069,515,917	29,085,747	2.72%	1,908
2004-05	15,244	1,120,573,746	36,485,615	3.26%	2,393
2005-06	16,900	1,239,943,436	52,264,532	4.22%	3,093
2006-07	17,165	1,497,071,724	50,658,356	3.38%	2,951
2007-08	17,714	1,792,168,994	48,207,781	2.69%	2,721
2008-09	17,881	1,940,329,322	45,155,798	2.33%	2,525
2009-10	18,403	2,073,608,915	42,439,783	2.05%	2,306

(1) Weldon Cooper estimate.

(2) From Table 6.

(3) Includes all long-term general obligation bonded debt, Literary Fund Loans, and revenue bonds; excludes capital leases and compensated absences.

Schedule of Operating Revenues and Expenditures for Transportation Activity
For the Year Ended June 30, 2010

Revenues:		
State aid	$	134,884
Federal aid		235,231
Fare collections		96,539
Greene County contribution for operations		314,045
Total revenues	$	780,699
Expenditures:		
Salaries and fringes	$	285,596
Materials and other expenditures		495,103
Total expenditures	$	780,699
Excess of revenues over expenditures	$	-

Transportation activity for the County of Greene, Virginia is included in the general accounting system of the County.

Compliance

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

To the Honorable Members of
The Board of Supervisors
County of Greene, Virginia

We have audited the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Greene, Virginia, as of and for the year ended June 30, 2010, which collectively comprise the County of Greene, Virginia's basic financial statements and have issued our report thereon dated May 27, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Greene, 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 the County of Greene, Virginia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Greene, 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 County'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 would not necessarily identify all deficiencies in internal control that might be 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 the County of Greene, 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*.

We noted other matters involving the internal control and its operation that we have reported to management of the County of Greene, Virginia in a separate letter dated May 27, 2011.

This report is intended solely for the information and use of management, the Board of Supervisors, 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
May 27, 2011

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

To the Honorable Members of
The Board of Supervisors
County of Greene, Virginia

Compliance

We have audited County of Greene, 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 Greene, Virginia's major federal programs for the year ended June 30, 2010. The County of Greene, 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 Greene, Virginia's management. Our responsibility is to express an opinion on County of Greene, 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 Greene, 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 Greene, Virginia's compliance with those requirements.

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

Internal Control Over Compliance

Management of the County of Greene, 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 Greene, 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 Greene, 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
May 27, 2011

COUNTY OF GREENE, VIRGINIA

Schedule of Expenditures of Federal Awards - Primary Government and
Discretely Presented Component Units
Year Ended June 30, 2010

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number		Federal Expenditures
PRIMARY GOVERNMENT:				
DEPARTMENT OF AGRICULTURE:				
Direct payments:				
Department of Agriculture and Consumer Services:				
Summer food service program for children	10.559	Unknown	$	44,389
Pass through payments:				
Department of Social Services:				
State administrative matching grants for the supplemental nutrition assistance program	10.561	0010109/0010110 0040109/0040110		153,269
ARRA - State administrative matching grants for the supplemental nutrition assistance program	10.561	0010109/0010110 0040109/0040110		8,248
Total State administrative matching grants for the suppplemental nutrition assistance program			$	161,517
Total Department of Agriculture			$	205,906
DEPARTMENT OF TRANSPORTATION:				
Pass through payments:				
Department of Motor Vehicles:				
State and community highway safety	20.600	SC2009593703673	$	16,200
Department of Rail and Public Transportation:				
ARRA - Formula grants for other than urbanized areas	20.509	Unknown		33,277
Formula grants for other than urbanized areas	20.509	Unknown		235,231
Total Formula grants for other than urbanized areas			$	268,508
Total Department of Transportation			$	284,708
DEPARTMENT OF CRIMINAL JUSTICE SERVICES:				
Direct payments:				
Asset forfeiture proceeds	16.000	Unknown	$	166
Bulletproof vest partnership program	16.607	Unknown		1,275
Public Safety Partnership and Community Policing Grants	16.710	2009RFWX0849		156,200
Total direct payments			$	157,641
Pass through payments:				
Compensation Board:				
ARRA - Edward Byrne memorial justice assistance grant program	16.803	09SUB9033	$	38,625
Edward Byrne memorial justice assistance grant program	16.738	Unknown		18,959
Total Department of Criminal Justice			$	215,225
DEPARTMENT OF HOMELAND SECURITY:				
Pass through payments:				
Department of Emergency Management:				
State Homeland Security Program (SHSP)	97.073	Unknown	$	21,900
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:				
Pass through payments:				
Department of Social Services:				
Americorps	94.006	Unknown	$	2,336
DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Pass Through Payments:				
Department of Social Services:				
Promoting safe and stable families	93.556	0950109/0950110	$	1,359
Temporary assistance for needy families	93.558	0400109/0400110		124,115
Refugee and entrant assistance - state administered programs	93.566	0500109/0500110		412
Low-income home energy assistance	93.568	0600409/0600410		5,642
CCDF Cluster:				
Child care and development block grant	93.575	0770109/0770110		54,055
Child care mandatory and matching funds of the child care and development fund	93.596	0760109/0760110		59,684
ARRA – Child Care and Development Block Grant	93.713	0740109/0780109		23,762
Chafee education and training vouchers program	93.599	9160109/9160110		2,845
Child welfare services - state grants	93.645	0900109/0900110		362
Foster care - Title IV-E	93.658	1100109/1100110		61,371
ARRA - Foster care - Title IV-E	93.658	1100109/1100110		1,309
Total Foster care - Title IV-E			$	62,680

Schedule of Expenditures of Federal Awards - Primary Government and
Discretely Presented Component Units
Year Ended June 30, 2010 (Continued)

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
PRIMARY GOVERNMENT: (CONTINUED)			
DEPARTMENT OF HEALTH AND HUMAN SERVICES: (Continued)			
Pass Through Payments: (Continued)			
Department of Social Services: (Continued)			
Adoption assistance	93.659	1120109/1120110	$ 21,766
ARRA - Adoption assistance	93.659	1120109/1120110	2,058
Total Adoption assistance			$ 23,824
Social services block grant	93.667	1000109/1000110	$ 36,110
Chafee foster care independence program	93.674	9150109/9150110	3,125
Children's health insurance program	93.767	0540109/0540110	7,133
Medical assistance program	93.778	1200109/1200110	91,132
Total Department of Health and Human Services			$ 496,240
DEPARTMENT OF THE INTERIOR:			
Direct payment:			
Department of Defense:			
Payments to States in Lieu of Real Estate Taxes	12.112	Unknown	$ 39,154
Total Primary Government			$ 1,265,469
COMPONENT UNIT-SCHOOL BOARD:			
DEPARTMENT OF AGRICULTURE:			
Pass through payments:			
Child Nutrition Cluster:			
Department of Agriculture and Consumer Services:			
Food commodities	10.555	10.555/2010	$ 53,355
Department of Education:			
School breakfast program	10.553	10.553/2010	109,768
National school lunch program	10.555	10.555/2010	360,608
Total Department of Agriculture			$ 523,731
DEPARTMENT OF EDUCATION:			
Pass through payments:			
Department of Education:			
Adult education - basic grants to states	84.002	V002A080046	$ 20,548
Title I, Part A Cluster:			
Title I grants to local educational agencies	84.010	S010A080046	329,679
ARRA - Title I grants to local educational agencies	84.389	S389A090046	63,413
Special Education Cluster (IDEA):			
Special education - grants to states	84.027	H027A090107	642,865
ARRA - Special education - grants to states	84.391	H391A090107	316,769
Special education - preschool grants	84.173	H173A080112	23,997
Career and technical education - basic grants to states	84.048	V048A070046	42,077
ARRA - Special education - preschool grants	84.392	H392A090112	14,006
Safe and drug-free schools and communities - state grants	84.186	Q186A090048	5,296
ARRA - State fiscal stabilization fund - education state grants	84.394	S394A090047	1,645,408
Education technology state grants	84.318	S318X070046	2,984
ARRA - Education technology state grants	84.386	S386A090046	1,556
Improving teacher quality state grants	84.367	S367A070044	118,563
Direct payment:			
English language acquisition grants	84.365	T365A080046	12,306
Total Department of Education			$ 3,239,467
Total Component Unit School Board			$ 3,763,198
Total Expenditures of Federal Awards			$ 5,028,667

See accompanying notes to schedule of expenditures of federal awards.

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the County of Greene, Virginia under programs of the federal government for the year ended June 30, 2010. 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*. Becasuse the schedule presents only a selected portion of the operations of the County of Greene, Virginia, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County of Greene, Virginia.

Note 2 - Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *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	$ 1,265,469
Total primary government	$ 1,265,469
Component Unit Public Schools:	
School Operating Fund	$ 3,763,198
Total component unit public schools	$ 3,763,198
Total federal expenditures per basic financial statements	$ 5,028,667
Total federal expenditures per the Schedule of Expenditures of Federal Awards	$ 5,028,667

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

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

CFDA #	Name of Federal Program or Cluster
	Special Education Cluster:
84.027	Special education - grants to states
84.391	ARRA - Special education - grants to states
84.173	Special education - preschool grants
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
84.394	ARRA - State fiscal stabilization fund - education state grants

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.

Section IV - Prior Year Audit Findings

There were no federal award findings and questioned costs reported in the prior year.