

# COUNTY OF SUSSEX, VIRGINIA



## ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013



COUNTY OF SUSSEX, VIRGINIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR  
ENDED JUNE 30, 2013

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## COUNTY OF SUSSEX, VIRGINIA

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### Board of Supervisors

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C. Eric Fly, Sr., Chairperson  
Robert E. Hamlin  
John A. Stringfield

Alfred G. Futrell  
Charlie E. Caple, Jr.  
Raymond L. Warren, Vice Chairperson

### Department of Social Services

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Charlie E. Caple, Jr., Chairperson  
Delores Spain  
Freddie Stringfield, Vice Chairperson  
Cynthia Pegram-Wyche

William Bain  
Norfleet Givens  
Miriam D. Edwards

### County School Board

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Marvin Morris, Jr., Chairperson  
Rodney T. Garrette  
Doris C. Hamlin

Laurie S. Latham  
Roderick N. Curley  
Gloria S. Holloman, Vice Chairperson

### Other Officials

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County Administrator.....	Thomas E. Harris
Director of Social Services.....	Chequila H. Fields
Superintendent of Schools.....	Dr. Arthur Jarrett, Jr.
Treasurer .....	Onnie L. Woodruff
Commissioner of the Revenue .....	Ellen G. Boone
Commonwealth's Attorney .....	Lyndia Person-Ramsey
Sheriff.....	Raymond R. Bell
Clerk of the Circuit Court.....	Gary M. Williams
Judge of the Circuit Court.....	W. Allan Sharrett
Judge of the General District Court .....	Stephen Bloom
Judge of the Juvenile and Domestic Relations Court .....	Carson Saunders

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# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## Independent Auditors' Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of County of Sussex, Virginia, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Sussex, Virginia, as of June 30, 2013, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Emphasis of Matter*

As described in Note 1 to the financial statements, in 2013, the County adopted new accounting guidance, GASB Statement Nos. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-10, budgetary comparison information, and schedules of pension and OPEB funding progress be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

## *Other Information*

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

*Other Information (continued)*

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2014, on our consideration of the County of Sussex, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Sussex, Virginia's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "R. F. Cox", followed by a horizontal line.

Richmond, Virginia  
January 30, 2014

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

**To the Honorable Members of the Board of Supervisors  
To the Citizens of Sussex County  
County of Sussex, Virginia**

As management of the County of Sussex, 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, 2013. Please read it in conjunction with the County's basic financial statements, which follow this section.

### **Financial Highlights**

#### **Government-wide Financial Statements**

- < The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$35,174,889 (net position).

#### **Fund Financial Statements**

The Governmental Funds, on a current financial resource basis, reported revenues and other financing sources in deficit of expenditures and other financing uses of \$6,014,952 (Exhibit 5) after making contributions totaling \$7,347,956 to the School Board.

- < As of the close of the current fiscal year; the County's funds reported ending fund balances of \$19,261,769, a decrease of \$6,014,952 in comparison with the prior year.
- < At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,036,399, or 28% of total general fund expenditures and other uses.
- < The combined long-term obligations decreased \$1,119,507 during the current fiscal 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 comprise three components:

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

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

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

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

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

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

The Government-wide financial statements include not only the County of Sussex, Virginia itself (known as the primary government), but also a legally separate school district for which the County of Sussex, Virginia is financially accountable. Financial information for the component unit is reported separately from the financial information presented 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 Sussex, 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.



## **Overview of the Financial Statements (Continued)**

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 the governmental fund statement of revenues, expenditures and changes in fund balances. The County has two major governmental funds – the General Fund and County Capital Projects Fund.

Fiduciary funds - The County is the trustee, or fiduciary, for the County's agency funds. It is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position. The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations. Agency funds are County custodial funds used to provide accountability of client monies for which the County is custodian.

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.

Other information - In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information for budgetary comparison schedules and 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 position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets exceeded liabilities by \$35,174,889 at the close of the most recent fiscal year. The following table summarizes the County's Statement of Net Position:

### **County of Sussex, Virginia's Net Position**

	<b><u>Governmental Activities</u></b>	
	<b><u>2013</u></b>	<b><u>2012</u></b>
Current and other assets	\$ 22,669,869	\$ 25,356,898
Restricted assets	1,150,608	955,718
Capital assets	<u>40,367,314</u>	<u>37,171,857</u>
Total assets	<u>\$ 64,187,791</u>	<u>\$ 63,484,473</u>
Current liabilities	\$ 4,355,951	\$ 970,265
Long-term liabilities outstanding	<u>24,637,781</u>	<u>25,757,288</u>
Total liabilities	<u>\$ 28,993,732</u>	<u>\$ 26,727,553</u>
Deferred inflows of resources	<u>\$ 19,170</u>	<u>\$ -</u>
Net investment in capital assets	\$ 19,228,298	\$ 14,829,183
Restricted for debt service bond covenants	1,150,608	955,718
Unrestricted	<u>14,795,983</u>	<u>20,972,019</u>
Total net position	<u><u>\$ 35,174,889</u></u>	<u><u>\$ 36,756,920</u></u>

**Government-wide Financial Analysis (Continued)**

The County's net position decreased by \$1,582,031 during the current fiscal year. The following table summarizes the County's Statement of Activities

County of Sussex, Virginia's Changes in Net Position			
	Governmental Activities		
	2013	2012	
Charges for services	\$ 6,764,345	\$ 6,969,432	
Operating grants and contributions	4,553,833	4,459,264	
Capital grants and contributions	4,537,507	755,500	
General property taxes	8,574,854	7,370,633	
Other local taxes	1,074,162	1,071,020	
Grants and other contributions not restricted	1,394,567	1,476,144	
Other general revenues	266,359	348,495	
Total revenues	\$ 27,165,627	\$ 22,450,488	
General government administration	\$ 1,520,058	\$ 1,723,664	
Judicial administration	1,317,423	1,125,133	
Public safety	5,211,763	5,211,151	
Public works	767,515	745,138	
Health and welfare	3,006,195	2,973,785	
Education	14,827,622	7,668,587	
Parks, recreation, and cultural	197,755	200,550	
Community development	1,297,885	1,400,525	
Interest and other fiscal charges	601,442	440,982	
Total expenses	\$ 28,747,658	\$ 21,489,515	
Change in net position	\$ (1,582,031)	\$ 960,973	
Net position, beginning of year	36,756,920	35,795,947	
Net position, end of year	\$ 35,174,889	\$ 36,756,920	

## **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 \$19,261,769, an decrease of \$6,014,952 in comparison with the prior year. Approximately 31% of this total amount constitutes unassigned General Fund balance, which is available for spending at the County's discretion.

The County Capital Projects Fund accounts for all major general public improvements. At the end of the fiscal year, the fund balance was \$13,111,754. \$1,150,608 of this was restricted for debt, while \$11,961,146 was committed to current or future capital projects.

## **General Fund Budgetary Highlights**

During the year, revenues and other financing sources by exceeded budgetary estimates by \$314,805. Budgetary estimates exceeded expenditures and other financing uses by \$1,083,148. The combination of the two resulted in a positive variance of \$1,397,953.

## **Capital Asset and Debt Administration**

< Capital assets - The County's investment in capital assets for its governmental operations as of June 30, 2013 amounts to \$40,367,314 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, and machinery and equipment.

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

Long-term debt - At the end of the current fiscal year, the County had total debt outstanding of \$20,482,591. Of this amount, \$20,389,836 comprises debt backed by the full faith and credit of the County. The remainder of the County's debt represents capital leases.

The County's total debt decreased by \$1,169,109 during the current fiscal year.

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

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

- < The unemployment rate for the County was 8.3 percent. The state's average unemployment rate was 5.5 percent as of the same date.
- < Inflationary trends in the region compare favorably to national indexes.

All of these factors were considered in preparing the County's budget for the 2014 fiscal year.

The fiscal year 2014 budget decreased by approximately one tenth of a percent. All tax rates remained the same as in 2013.

### **Requests for Information**

This financial report is designed to provide a general overview of the County of Sussex, 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 1397, Sussex, Virginia 23884.

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## *BASIC FINANCIAL STATEMENTS*

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## *GOVERNMENT-WIDE FINANCIAL STATEMENTS*

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County of Sussex, Virginia  
Statement of Net Position  
June 30, 2013

	Primary Government	Component Unit
	<u>Governmental</u>	
	<u>Activities</u>	<u>School Board</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 19,845,378	\$ 1,061,548
Receivables (net of allowance for uncollectibles):		
Taxes receivable	666,392	-
Accounts receivable	586,749	334
Due from other governmental units	1,571,350	980,073
Prepaid items	-	125,726
Restricted assets:		
Temporarily restricted:		
Bond sinking funds	1,150,608	-
Capital assets (net of accumulated depreciation):		
Land	8,304,190	111,236
Buildings and improvements	24,738,741	15,633,801
Machinery and equipment	1,647,193	652,746
Construction in progress	5,677,190	-
Total assets	<u>\$ 64,187,791</u>	<u>\$ 18,565,464</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 333,434	\$ 54,745
Accrued liabilities	-	1,012,977
Contracts payable	627,681	-
Accrued interest payable	325,006	-
Due to other governmental units	-	758,469
Unearned revenue	3,069,830	1,874
Long-term liabilities:		
Due within one year	1,448,272	109,667
Due in more than one year	23,189,509	1,425,841
Total liabilities	<u>\$ 28,993,732</u>	<u>\$ 3,363,573</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property taxes	\$ 19,170	-
Total deferred inflows of resources	<u>\$ 19,170</u>	<u>-</u>
<b>NET POSITION</b>		
Net investment in capital assets	\$ 19,228,298	\$ 16,397,783
Restricted for:		
Debt service and bond covenants	1,150,608	-
Unrestricted (deficit)	14,795,983	(1,195,892)
Total net position	<u>\$ 35,174,889</u>	<u>\$ 15,201,891</u>

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

County of Sussex, Virginia  
Statement of Activities  
For the Year Ended June 30, 2013

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	<u>Expenses</u>	Charges for <u>Services</u>	Operating Grants and <u>Contributions</u>	Capital Grants and <u>Contributions</u>	Primary	Component
					Governmental	Unit
					<u>Activities</u>	<u>School Board</u>
<b>PRIMARY GOVERNMENT:</b>						
Governmental activities:						
General government administration	\$ 1,520,058	\$ -	\$ 185,043	\$ -	\$ (1,335,015)	\$ -
Judicial administration	1,317,423	677,863	480,461	-	(159,099)	-
Public safety	5,211,763	258,198	1,548,566	-	(3,404,999)	-
Public works	767,515	5,803,067	-	-	5,035,552	-
Health and welfare	3,006,195	-	2,034,046	-	(972,149)	-
Education	14,827,622	-	-	-	(14,827,622)	-
Parks, recreation, and cultural	197,755	-	5,000	-	(192,755)	-
Community development	1,297,885	25,217	300,717	4,537,507	3,565,556	-
Interest on long-term debt	601,442	-	-	-	(601,442)	-
Total governmental activities	\$ 28,747,658	\$ 6,764,345	\$ 4,553,833	\$ 4,537,507	\$ (12,891,973)	\$ -
Total primary government	\$ 28,747,658	\$ 6,764,345	\$ 4,553,833	\$ 4,537,507	\$ (12,891,973)	\$ -
<b>COMPONENT UNIT:</b>						
School Board	\$ 19,204,910	\$ 305,610	\$ 10,531,457	\$ -	\$ -	\$ (8,367,843)
Total component unit	\$ 19,204,910	\$ 305,610	\$ 10,531,457	\$ -	\$ -	\$ (8,367,843)
General revenues:						
General property taxes					\$ 8,574,854	\$ -
Local sales tax					659,547	-
Motor vehicle licenses					214,182	-
Other local taxes					200,433	-
Unrestricted revenues from use of money and property					162,130	1,313
Miscellaneous					104,229	147,560
Grants and contributions not restricted to specific programs					1,394,567	-
Payment from Sussex County					-	15,155,820
Total general revenues					\$ 11,309,942	\$ 15,304,693
Change in net position					\$ (1,582,031)	\$ 6,936,850
Net position - beginning					36,756,920	8,265,041
Net position - ending					\$ 35,174,889	\$ 15,201,891

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

## *FUND FINANCIAL STATEMENTS*

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County of Sussex, Virginia  
Balance Sheet  
Governmental Funds  
June 30, 2013

	<u>General</u>	<u>County Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,175,009	\$ 15,623,087	\$ 47,282	\$ 19,845,378
Receivables (net of allowance for uncollectibles):				
Taxes receivable	666,392	-	-	666,392
Accounts receivable	586,713	30	6	586,749
Due from other governmental units	1,571,350	-	-	1,571,350
Restricted assets:				
Temporarily restricted:				
Bond sinking funds	-	1,150,608	-	1,150,608
Total assets	<u>\$ 6,999,464</u>	<u>\$ 16,773,725</u>	<u>\$ 47,288</u>	<u>\$ 23,820,477</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 312,127	\$ 21,090	\$ 217	\$ 333,434
Contracts payable	-	627,681	-	627,681
Unearned revenue	56,630	3,013,200	-	3,069,830
Total liabilities	<u>\$ 368,757</u>	<u>\$ 3,661,971</u>	<u>\$ 217</u>	<u>\$ 4,030,945</u>
Deferred inflows of resources:				
Unavailable revenue - property taxes	\$ 527,763	\$ -	\$ -	\$ 527,763
Total deferred inflows of resources	<u>\$ 527,763</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 527,763</u>
Fund balances:				
Restricted	\$ -	\$ 1,150,608	\$ -	\$ 1,150,608
Committed	66,545	11,961,146	47,071	12,074,762
Unassigned	6,036,399	-	-	6,036,399
Total fund balances	<u>\$ 6,102,944</u>	<u>\$ 13,111,754</u>	<u>\$ 47,071</u>	<u>\$ 19,261,769</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,999,464</u>	<u>\$ 16,773,725</u>	<u>\$ 47,288</u>	<u>\$ 23,820,477</u>

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

County of Sussex, Virginia  
Reconciliation of the Balance Sheet of Governmental Funds  
To the Statement of Net Position  
June 30, 2013

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$ 19,261,769
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:

Capital assets, cost	\$ 53,469,630	
Accumulated depreciation	<u>(13,102,316)</u>	40,367,314

Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.	508,593
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:

Compensated absences	\$ (441,195)	
Net OPEB obligation	(129,500)	
Landfill postclosure costs	(2,928,070)	
Capital leases	(92,755)	
Literary fund loans	(9,948,408)	
General obligation bonds	(7,150,000)	
Bond premium	(656,425)	
QZAB bonds	(3,291,428)	
Accrued interest payable	<u>(325,006)</u>	(24,962,787)

Net position of governmental activities	<u><u>\$ 35,174,889</u></u>
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The notes to the financial statements are an integral part of this statement.



County of Sussex, Virginia  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2013

	<u>General</u>	<u>County Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>REVENUES</b>				
General property taxes	\$ 8,428,982	\$ -	\$ -	\$ 8,428,982
Other local taxes	1,074,162	-	-	1,074,162
Permits, privilege fees, and regulatory licenses	77,524	-	-	77,524
Fines and forfeitures	643,294	-	-	643,294
Revenue from the use of money and property	112,374	49,685	71	162,130
Charges for services	6,013,720	28,922	885	6,043,527
Miscellaneous	103,923	-	306	104,229
Recovered costs	257,135	-	-	257,135
Intergovernmental revenues:				
Commonwealth	4,870,679	4,537,507	3,517	9,411,703
Federal	1,074,204	-	-	1,074,204
Total revenues	<u>\$ 22,655,997</u>	<u>\$ 4,616,114</u>	<u>\$ 4,779</u>	<u>\$ 27,276,890</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 1,460,320	\$ -	\$ -	\$ 1,460,320
Judicial administration	1,049,720	-	331	1,050,051
Public safety	4,867,753	-	11,161	4,878,914
Public works	847,909	-	-	847,909
Health and welfare	2,975,556	-	-	2,975,556
Education	7,353,856	-	-	7,353,856
Parks, recreation, and cultural	192,057	-	-	192,057
Community development	817,889	-	-	817,889
Capital projects	21,250	11,916,855	-	11,938,105
Debt service:				
Principal retirement	-	1,169,109	-	1,169,109
Interest and other fiscal charges	-	608,076	-	608,076
Total expenditures	<u>\$ 19,586,310</u>	<u>\$ 13,694,040</u>	<u>\$ 11,492</u>	<u>\$ 33,291,842</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 3,069,687</u>	<u>\$ (9,077,926)</u>	<u>\$ (6,713)</u>	<u>\$ (6,014,952)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ 2,232,677	\$ -	\$ 2,232,677
Transfers out	(2,232,677)	-	-	(2,232,677)
Total other financing sources (uses)	<u>\$ (2,232,677)</u>	<u>\$ 2,232,677</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ 837,010	\$ (6,845,249)	\$ (6,713)	\$ (6,014,952)
Fund balances - beginning	5,265,934	19,957,003	53,784	25,276,721
Fund balances - ending	<u>\$ 6,102,944</u>	<u>\$ 13,111,754</u>	<u>\$ 47,071</u>	<u>\$ 19,261,769</u>

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

County of Sussex, Virginia  
Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances of Governmental Funds  
To the Statement of Activities  
For the Year Ended June 30, 2013

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

Net change in fund balances - total governmental funds	\$ (6,014,952)
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period. The following is a summary of items supporting this adjustment:

Capital outlays	\$ 11,708,974	
Jointly owned asset allocation	(7,807,864)	
Depreciation expense	<u>(530,281)</u>	3,370,829

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(175,372)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	145,872
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The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term obligations and related items. The following is a summary of items supporting this adjustment:

Principal retirement on state literary fund loans	\$ 711,397	
Principal retirement on general obligation bonds	370,000	
Amortization of bond premium	34,549	
Principal retirement on capital leases	87,712	
Decrease in landfill postclosure liability	<u>38,167</u>	1,241,825

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

(Increase) decrease in compensated absences	\$ (109,318)	
(Increase) decrease in net OPEB obligation	(13,000)	
(Increase) decrease in accrued interest payable	<u>(27,915)</u>	(150,233)

Change in net position of governmental activities	<u><u>\$ (1,582,031)</u></u>
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The notes to the financial statements are an integral part of this statement.

County of Sussex, Virginia  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2013

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	Private-Purpose <u>Trusts</u>	Agency <u>Funds</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 147,533	\$ 21,055
Total assets	<u>\$ 147,533</u>	<u>\$ 21,055</u>
<b>LIABILITIES</b>		
Amounts held for social services clients	\$ -	\$ 2,160
Amounts held for others	-	9,556
Amounts held for inmates	-	9,339
Total liabilities	<u>\$ -</u>	<u>\$ 21,055</u>
<b>NET POSITION</b>		
Amounts held in trust for scholarships	\$ 147,533	\$ -
Total net position	<u>\$ 147,533</u>	<u>\$ -</u>
Total liabilities and net position	<u>\$ 147,533</u>	<u>\$ 21,055</u>

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

County of Sussex, Virginia  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2013

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	Private Purpose Trust <u>Funds</u>
<b>ADDITIONS</b>	
Investment earnings (losses)	\$ 2,232
Private donations	25,986
Total additions	<u>\$ 28,218</u>
<b>DEDUCTIONS</b>	
Scholarships	\$ 11,400
Total deductions	<u>\$ 11,400</u>
Change in net position	16,818
Net position - beginning	\$ 130,715
Net position - ending	<u><u>\$ 147,533</u></u>

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

*NOTES TO THE FINANCIAL STATEMENTS*

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## COUNTY OF SUSSEX, VIRGINIA

### Notes to Financial Statements As of June 30, 2013

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

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The County of Sussex, Virginia (the "County") is governed by an elected six member Board of Supervisors. The County provides a full range of services for its citizens. These services include police and fire protection, sanitation services, recreational activities, cultural events, education, and social services.

The financial statements of the County of Sussex, 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.

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

#### Government-wide and Fund Financial Statements

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its 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 Position - The Statement of Net Position 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 Position 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) net investment in capital assets; 2) restricted; and 3) unrestricted.

## COUNTY OF SUSSEX, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2013

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

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment 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.

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 reporting model, governments provide budgetary comparison information in their annual report, including a requirement to report the government's original budget with 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 the 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 Sussex (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.



## COUNTY OF SUSSEX, VIRGINIA

Notes to Financial Statements (Continued)

As of June 30, 2013

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

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#### **B. Individual Component Unit Disclosures**

*Blended Component Unit.* The County has no blended component units at June 30, 2013.

*Discretely Presented Component Units.* The School Board members are elected by the citizens of Sussex County. The School Board is responsible for the operations of the County's School System within the County boundaries. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Fund 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, 2013.

#### **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 government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the 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.

## COUNTY OF SUSSEX, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2013

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

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#### **D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)**

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.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 60 days after year-end are reflected as unavailable revenues. Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the state or utility, which is generally within two months preceding receipt by the County.

Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure. Revenues from general purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when cash is received by the government.

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.

## COUNTY OF SUSSEX, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2013

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

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#### **D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)**

##### **1. Governmental Funds**

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

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

Capital Projects Funds - The Capital Projects Fund accounts for and reports financial resources that are restricted, committed or assigned to expenditure for capital outlays. The County also reports the County Capital Projects Fund as a major Capital Projects Fund.

The County reports the following nonmajor governmental funds:

Special Revenue Funds - Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The County Special Revenue Fund includes the operations of the law library and the drug forfeiture activity.

2. Fiduciary Funds - (Trust and Agency Funds) - account for assets held by the County 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 and Private Purpose Trust Funds. These funds utilize the accrual basis of accounting described in the Governmental Fund Presentation. Fiduciary funds are not included in the government-wide financial statements. Agency Funds include Special Welfare, Sheriff Information, Jail Inmate, Canteen and DARE Funds. Private Purpose Trust Funds include Robert Mitchell Scholarship, Rotary Scholarship, Richard Clements Moore III Scholarship and Millard Stith Family Scholarship.

#### **E. 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.

#### **F. Investments**

Investments are stated at fair value which approximates market; no investments are valued at cost. Certificates of deposit and short-term repurchase agreements are reported in the accompanying financial statements as cash and cash equivalents.

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

## COUNTY OF SUSSEX, VIRGINIA

### Notes to Financial Statements (Continued)

As of June 30, 2013

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

##### **G. Receivables and Payables**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either “due to/from other funds” (i.e. the current portions of the interfund loans). All other outstanding balances between funds are reported as “advances to/from other funds” (i.e. the noncurrent portions of the interfund loans).

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 \$79,140 at June 30, 2013 and is comprised solely of property taxes.

##### Real and Personal Property Tax Data:

The tax calendars for real and personal property taxes are summarized below.

	<u>Real Property</u>	<u>Personal Property</u>
Levy	January 1	January 1
Due Date	December 5	December 5
Lien Date	January 1	January 1

The County bills and collects its own property taxes.

##### **H. Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the County as land, buildings, 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. The County does not have any infrastructure in its capital assets since roads, streets, bridges and similar assets within its boundaries are the property of the Commonwealth of Virginia. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded as estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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.

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	40
Furniture, Vehicles, Office and Computer Equipment	5-20
Buses	10

## COUNTY OF SUSSEX, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2013

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

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#### **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 Position. In accordance with the provisions of Governmental 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 is estimated will be taken as "terminal leave" prior to retirement.

#### **J. Retirement Plan**

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

#### **K. 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.

#### **L. Net Position**

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

#### **M. Long-term Obligations**

In the government-wide financial statements long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued and premiums on issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

## COUNTY OF SUSSEX, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2013

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

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#### **N. Deferred Outflow/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County does not have any deferred outflows of resources as of June 30, 2013.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has only one type of item that qualifies for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, and amounts prepaid on the 2<sup>nd</sup> half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, amounts prepaid on 2<sup>nd</sup> half installments are reported as deferred inflows of resources.

#### **O. Fund Equity**

The County reports fund balances in accordance with GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund.

COUNTY OF SUSSEX, VIRGINIA

Notes to Financial Statements (Continued)

As of June 30, 2013

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

**O. Fund Equity (Continued)**

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

Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by Board of Supervisors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

In the general fund, the County strives to maintain a committed fund balance to be used for Indoor Plumbing activity and CDBG funds.

The details of governmental fund balances, as presented in aggregate on Exhibit 3, are as follows:

	General Fund	County Capital Projects Fund	Other Governmental Funds	Total
<b>Fund Balances:</b>				
<b>Restricted:</b>				
Bond sinking funds	\$ -	\$ 1,150,608	\$ -	\$ 1,150,608
<b>Total Restricted Fund Balance</b>	<b>\$ -</b>	<b>\$ 1,150,608</b>	<b>\$ -</b>	<b>\$ 1,150,608</b>
<b>Committed:</b>				
Indoor Plumbing	\$ 27,709	\$ -	\$ -	\$ 27,709
CDBG	38,836	-	-	38,836
Capital Improvements	-	11,961,146	-	11,961,146
Forfeited asset	-	-	21,419	21,419
Law library	-	-	25,652	25,652
<b>Total Committed Fund Balance</b>	<b>\$ 66,545</b>	<b>\$ 11,961,146</b>	<b>\$ 47,071</b>	<b>\$ 12,074,762</b>
<b>Unassigned</b>	<b>\$ 6,036,399</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,036,399</b>
<b>Total Fund Balances</b>	<b>\$ 6,102,944</b>	<b>\$ 13,111,754</b>	<b>\$ 47,071</b>	<b>\$ 19,261,769</b>

## COUNTY OF SUSSEX, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2013

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

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**P. Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, Statement No. 63 of the Governmental Accounting Standards Board**

The County has implemented the financial reporting provisions of the above Statement for the fiscal year ended June 30, 2013. The Statement provides guidance for reporting deferred inflows and deferred outflows of resources. The requirements of this Statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on an entity's net position. With the implementation of this Statement certain terminology has changed and financial statement descriptions have changed from "net assets" to "net position." The net equity reported in the financial statements has not changed as a result of implementing this Statement and no restatement of prior balances is required.

**Q. Items Previously Reported as Assets and Liabilities, Statement No. 65 of Governmental Accounting Standards Board**

The County early implemented the financial reporting provisions of the above Statement for the fiscal year ended June 30, 2013. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The net equity reported in the financial statements was not charged as a result of implementing this Statement and no restatement of prior balances is required.

**R. Net Position Flow Assumption**

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

### *Note 2—Stewardship, Compliance, and Accounting:*

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

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



## COUNTY OF SUSSEX, VIRGINIA

### Notes to Financial Statements (Continued)

As of June 30, 2013

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#### *Note 2—Stewardship, Compliance, and Accounting: (Continued)*

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4. The Appropriations Resolution places legal restrictions on expenditures at the fund 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. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Appropriations lapse on June 30, for all County units.

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#### *Note 3—Deposits and Investments:*

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##### Deposits

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

##### Investments

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

##### Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2013 were rated by Standard and Poor's and the ratings are presented below using the Standard and Poor's rating scale.

		Fair Quality Ratings
		AAAm
Local Government Investment Pool	\$	7,054,146
Money Market Mutual Fund		1,148,470
Total	\$	8,202,616

COUNTY OF SUSSEX, VIRGINIA

Notes to Financial Statements (Continued)

As of June 30, 2013

*Note 3—Deposits and Investments: (Continued)*

**External Investment Pools**

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

*Note 4—Due to/from Other Governments:*

At June 30, 2013, the County has receivables from other governments as follows:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Other Local Governments:		
Sussex County School Board	\$ 758,469	\$ -
Commonwealth of Virginia:		
Local sales tax	117,324	-
Welfare	48,932	-
Rolling stock tax	92,180	-
Circuit court records grant	3,227	-
State Sales Tax	-	226,614
Constitutional officer reimbursements	182,906	-
Recordation tax	3,777	-
Department of Forestry - timber sales	87,493	-
Mobile home titling tax	6,030	-
Jurors	1,050	-
Communications tax	28,359	-
E-911 wireless	6,504	-
IPR	35,751	-
Comprehensive services	118,366	-
Federal Government:		
School fund grants	-	753,459
Welfare	80,982	-
Total due from other governments	\$ <u>1,571,350</u>	\$ <u>980,073</u>

At June 30, 2013, amounts due to other local governments are as follows:

Other Local Governments:		
County of Sussex	\$ <u>-</u>	\$ <u>758,469</u>

# COUNTY OF SUSSEX, VIRGINIA

## Notes to Financial Statements (Continued) As of June 30, 2013

### *Note 5—Capital Assets:*

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2013:

Primary Government:	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013
<b>Governmental activities:</b>				
Capital assets not subject to depreciation:				
Land	\$ 8,304,190	\$ -	\$ -	\$ 8,304,190
Construction in progress	853,288	4,999,274	175,372	5,677,190
Total capital assets not subject to depreciation	\$ 9,157,478	\$ 4,999,274	\$ 175,372	\$ 13,981,380
Capital assets subject to depreciation:				
Buildings and improvements	\$ 6,839,703	\$ -	\$ -	\$ 6,839,703
Machinery and equipment	6,769,996	17,783	-	6,787,779
Jointly owned assets	27,612,547	6,691,917	8,443,696	25,860,768
Total capital assets being depreciated	\$ 41,222,246	\$ 6,709,700	\$ 8,443,696	\$ 39,488,250
Accumulated depreciation:				
Buildings and improvements	\$ 2,963,114	\$ 184,108	\$ -	\$ 3,147,222
Machinery and equipment	4,794,413	346,173	-	5,140,586
Jointly owned assets	5,450,340	467,846	1,103,678	4,814,508
Total accumulated depreciation	\$ 13,207,867	\$ 998,127	\$ 1,103,678	\$ 13,102,316
Total capital assets being depreciated, net	\$ 28,014,379	\$ 5,711,573	\$ 7,340,018	\$ 26,385,934
Governmental capital assets, net	\$ 37,171,857	\$ 10,710,847	\$ 7,515,390	\$ 40,367,314
<b>Component Unit - School Board:</b>				
	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013
<b>Governmental activities:</b>				
Capital assets not subject to depreciation:				
Land	\$ 111,236	\$ -	\$ -	\$ 111,236
Total capital assets not subject to depreciation	\$ 111,236	\$ -	\$ -	\$ 111,236
Capital assets subject to depreciation:				
Machinery and equipment	\$ 3,638,027	\$ 86,421	\$ -	\$ 3,724,448
Jointly owned assets	10,766,466	-	(8,443,696)	19,210,162
Total capital assets being depreciated	\$ 14,404,493	\$ 86,421	\$ (8,443,696)	\$ 22,934,610
Accumulated depreciation:				
Machinery and equipment	\$ 2,818,956	\$ 252,746	\$ -	\$ 3,071,702
Jointly owned assets	2,125,153	347,530	(1,103,678)	3,576,361
Total accumulated depreciation	\$ 4,944,109	\$ 600,276	\$ (1,103,678)	\$ 6,648,063
Total capital assets being depreciated, net	\$ 9,460,384	\$ (513,855)	\$ (7,340,018)	\$ 16,286,547
Governmental capital assets, net	\$ 9,571,620	\$ (513,855)	\$ (7,340,018)	\$ 16,397,783

COUNTY OF SUSSEX, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2013

*Note 5—Capital Assets: (Continued)*

Depreciation expense was charged to functions/programs as follows:

Governmental activities:

General government administration	\$	61,201
Judicial administration		88,215
Public safety		331,171
Public works		5,311
Health and welfare		34,533
Education		467,846
Parks, recreation and cultural		5,698
Community development		4,152
Total Governmental activities	\$	<u>998,127</u>

Component Unit School Board	\$	<u>600,276</u>
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*Note 6—Interfund Transfers:*

Interfund transfers for the year ended June 30, 2013, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General	\$ -	\$ 2,232,677
County Capital Projects	<u>2,232,677</u>	<u>-</u>
Total	\$ <u>2,232,677</u>	\$ <u>2,232,677</u>
Component Unit- School Board:		
School Operating	\$ -	\$ 28,376
School Special Revenue	<u>28,376</u>	<u>-</u>
Total	\$ <u>28,376</u>	\$ <u>28,376</u>

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

COUNTY OF SUSSEX, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2013

*Note 7—Long-Term Obligations:*

**Primary Government:**

The following is a summary of changes in long-term obligations for the fiscal year ended June 30, 2013:

	Balance at July 1, 2012	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2013	Amounts Due Within One Year
Governmental Obligations:					
Incurring by County:					
Compensated absences	\$ 331,877	\$ 142,506	\$ 33,188	\$ 441,195	\$ 44,120
Capital leases (Note 8)	180,467	-	87,712	92,755	92,755
Landfill postclosure costs	2,966,237	-	38,167	2,928,070	-
Net OPEB obligation	116,500	22,000	9,000	129,500	-
Total incurred by County	\$ 3,595,081	\$ 164,506	\$ 168,067	\$ 3,591,520	\$ 136,875
Incurring by School Board:					
Literary Fund Loans	\$ 10,659,805	\$ -	\$ 711,397	\$ 9,948,408	\$ 711,397
General obligation bonds	7,520,000	-	370,000	7,150,000	600,000
Bond premium	690,974	-	34,549	656,425	-
QZAB Bonds	3,291,428	-	-	3,291,428	-
Total incurred by School Board	\$ 22,162,207	\$ -	\$ 1,115,946	\$ 21,046,261	\$ 1,311,397
Total Governmental Obligations	\$ 25,757,288	\$ 164,506	\$ 1,284,013	\$ 24,637,781	\$ 1,448,272

COUNTY OF SUSSEX, VIRGINIA

Notes to Financial Statements (Continued)

As of June 30, 2013

*Note 7—Long-Term Obligations: (Continued)*

Primary Government: (continued)

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

Year Ending June 30	Incurred by School Board					
	General Obligation Bonds		QZAB Bonds		Literary Fund Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 600,000	\$ 321,572	\$ -	\$ -	\$ 711,397	\$ 308,452
2015	600,000	297,649	-	-	711,397	277,110
2016	600,000	271,307	-	-	711,397	255,768
2017	600,000	241,973	-	-	711,397	234,426
2018	600,000	211,488	-	-	711,397	213,085
2019	600,000	180,772	-	-	711,397	191,743
2020	600,000	149,823	-	-	711,397	170,401
2021	230,000	128,543	1,077,000	-	711,397	149,059
2022	230,000	116,928	-	-	711,397	127,717
2023	230,000	105,313	2,214,428	-	711,397	106,375
2024	230,000	93,698	-	-	711,397	85,033
2025	230,000	82,083	-	-	711,397	63,691
2026	225,000	70,594	-	-	711,400	42,349
2027	225,000	61,481	-	-	350,127	21,007
2028	225,000	53,494	-	-	350,117	10,504
2029	225,000	43,256	-	-	-	-
2030	225,000	34,144	-	-	-	-
2031	225,000	25,594	-	-	-	-
2032	225,000	15,357	-	-	-	-
2033	225,000	5,119	-	-	-	-
Total	<u>\$ 7,150,000</u>	<u>\$ 2,510,188</u>	<u>\$ 3,291,428</u>	<u>\$ -</u>	<u>\$ 9,948,408</u>	<u>\$ 2,256,720</u>

COUNTY OF SUSSEX, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2013

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*Note 7—Long-Term Obligations: (Continued)*

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**Primary Government: (continued)**

Details of long-term indebtedness:

**General Obligations:**

**Incurred by County:**

Landfill postclosure costs	\$	2,928,070
Net OPEB obligation	\$	129,500
Capital Leases (Note 8)	\$	92,755
Compensated absences (payable from the General Fund)	\$	441,195
Total incurred by County	\$	<u>3,591,520</u>

**Incurred by School Board:**

**OZAB Bonds:**

\$1,077,000 OZAB bond issued December 23, 2005, due in one lump sum payment at December 23, 2020, interest rate at 0%.	\$	1,077,000
\$2,214,428 OZAB bonds issued November 17, 2006, due in one lump sum payment at November 17, 2022, interest 0%.		<u>2,214,428</u>
Total OZAB Bonds	\$	<u>3,291,428</u>

**General Obligation Bonds:**

\$7,430,000 VPSA bond issued April 26, 1999 in annual installments, interest payable semi-annually at coupon rates of 4.100% to 5.225% through July 15, 2019.	\$	2,590,000
\$4,560,000 VPSA bond issued May 10, 2013 due in annual installments, interest payable semi-annually at coupon rates of 2.55% to 5.05% through July 15, 2032.		<u>4,560,000</u>
Total General Obligation Bonds	\$	<u>7,150,000</u>
Bond Premium	\$	<u>656,425</u>
Total General Obligation Bonds	\$	<u>7,806,425</u>

COUNTY OF SUSSEX, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2013

Note 7—Long-Term Obligations: (Continued)

General Obligations: (continued)

Incurred by School Board: (continued)

Literary Fund Loans:

\$7,225,403 Literary loan issued October 1, 2005, due in annual installments of \$361,270 through October 1, 2025, interest at 3%.	\$	4,696,513
\$7,002,530 Literary loan issued January 1, 2013, due in annual installments of \$350,127 through January 1, 2028, interest at 3%.		5,251,895
Total Literary Fund Loans	\$	9,948,408
Total incurred by School Board	\$	21,046,261
Total General Obligations, Primary Government	\$	24,637,781

Discretely Presented Component Unit-School Board:

The following is a summary of changes in long-term obligations for the fiscal year ended June 30, 2013:

	Balance at July 1, 2012	Increases	Decreases	Balance at June 30, 2013	Amounts Due Within One Year
Component Unit-School Board:					
VRS Early retirement liability	\$ 947,478	\$ -	\$ 49,928	\$ 897,550	\$ 53,921
Net OPEB obligation	2,500	136,000	58,000	80,500	-
Compensated absences	687,098	-	129,640	557,458	55,746
Total Component Unit-School Board	\$ 1,637,076	\$ 136,000	\$ 237,568	\$ 1,535,508	\$ 109,667



COUNTY OF SUSSEX, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2013

*Note 7—Long-Term Obligations: (Continued)*

Discretely Presented Component Unit-School Board: (Continued)

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

Year Ending June 30	VRS Early Retirement Liability	
	Principal	Interest
2014	\$ 53,921	\$ 71,805
2015	58,236	67,490
2016	62,894	62,832
2017	67,925	57,801
2018	73,360	52,366
2019	79,228	46,498
2020	85,567	40,159
2021	92,412	33,314
2022	99,805	25,921
2023	107,789	17,937
2024	116,413	9,313
Total	<u>\$ 897,550</u>	<u>\$ 485,436</u>

Details of long-term indebtedness:

General Obligations:

VRS Early Retirement Liability, issued July 1, 1994 at 8% over 30 years	\$ 897,550
Net OPEB obligation	\$ 80,500
Compensated absences (Payable from the School Fund)	\$ 557,458
Total General obligations, Component Unit - School Board	<u>\$ 1,535,508</u>

COUNTY OF SUSSEX, VIRGINIA

Notes to Financial Statements (Continued)

As of June 30, 2013

*Note 8—Capital Leases:*

The government has entered into lease agreements as lessee for financing the acquisition of nine police vehicles. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	Primary Government
Asset:	
Equipment	\$ 278,130
Less: accumulated depreciation	(111,252)
Total	<u>\$ 166,878</u>

The future minimum lease obligations and the net present value of minimum lease payments as of June 30, 2013, are as follows:

Year Ended June 30	Primary Government
2014	\$ 98,088
Total minimum lease payments	\$ 98,088
Less: amount representing interest	(5,333)
Present value of minimum lease payments	<u>\$ 92,755</u>

*Note 9—Closure and Postclosure Costs:*

The County closed its two landfills and is liable for postclosure monitoring for a period of thirty years. In conjunction with the closing of the landfill, an environmental engineering firm was engaged to devise a closure plan in accordance with Federal and State Regulations. The \$2,928,070 reported as landfill closure and postclosure liability at June 30, 2013, represents the estimated liability for postclosure monitoring, over the remaining seventeen years. These amounts are based on what it would cost to perform all closure and postclosure care in 2013. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

The County has demonstrated financial assurance requirements for closure, postclosure 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.

## COUNTY OF SUSSEX, VIRGINIA

### Notes to Financial Statements (Continued)

As of June 30, 2013

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#### *Note 10—Unearned and Unavailable Revenue:*

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Unearned and Unavailable 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. Unearned revenue totaling \$3,069,830 and unavailable revenue totaling \$527,763 are comprised of the following:

Unavailable Property Tax Revenue - Unavailable revenue representing uncollected tax billings not available for funding of current expenditures totaled \$508,593 at June 30, 2013.

Unavailable Prepaid Property Taxes - Property taxes due subsequent to June 30, 2013 but paid in advance by the taxpayers totaled \$19,170 at June 30, 2013.

Other Unearned Revenue - Other miscellaneous unearned revenue items totaled \$3,069,830 at June 30, 2013, of which \$3,013,200 is tobacco commission funds related to industrial development.

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#### *Note 11—Contingent Liabilities:*

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

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

The following construction contracts were outstanding at June 30, 2013:

Fund	Project	Contractor	Amount Of Contract	Contract Outstanding At June 30, 2013
Component Unit-School Board	New Elementary School	Oyster Point Construction Company	\$ 10,103,511	\$ 512,420

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#### *Note 12—Litigation:*

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At June 30, 2013, 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 the County.

## COUNTY OF SUSSEX, VIRGINIA

### Notes to Financial Statements (Continued)

As of June 30, 2013

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#### *Note 13 –Risk Management:*

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The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries insurance.

The County is a member of the Virginia Municipal Group Self Insurance Association for workers' compensation. This program is administered by a servicing contractor, which furnishes claims review and processing.

Each Association member jointly and severally agrees to assume, pay and discharge any liability. The County pays Virginia Municipal Group contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the Association and claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the Association may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The County continues to carry commercial insurance for all other risks of loss. During the last three fiscal years, settled claims from these risks have not exceeded commercial coverage.

#### *Note 14 –Defined Benefit Pension Plan:*

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##### **A. Plan Description**

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

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

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

- Members hired before July 1, 2010 and who were vested as of January 1, 2013 are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of service credit or age 50 with at least 30 years of service credit. They may retire with a reduced benefit early at age 55 with at least five years of service credit or age 50 with at least ten years of service credit.
- Members hired or rehired on or after July 1, 2010 and Plan 1 members who were not vested on January 1, 2013 are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with a least five years of service credit.

## COUNTY OF SUSSEX, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2013

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### *Note 14 – Defined Benefit Pension Plan (Continued):*

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#### **A. Plan Description (Continued)**

- Eligible hazardous duty members in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. These members include sheriffs, deputy sheriffs and hazardous duty employees of political subdivisions that have elected to provide enhanced coverage for hazardous duty service. They may retire with a reduced benefit as early as age 50 with at least five years of service credit. All other provisions of the members plan apply.

The VRS Basic Benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the member's average final compensation multiplied by the member's total service credit. Under Plan 1, average final compensation is the average of the member's 36 consecutive months of highest compensation.

Under Plan 2, average final compensation is the average of the member's 60 consecutive months of highest compensation. The retirement multiplier for non-hazardous duty members is 1.70%. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier for eligible political subdivision hazardous duty employees other than sheriffs and jail superintendents is 1.70% or 1.85% as elected by the employer. The multiplier for Plan 2 members was reduced to 1.65% effective January 1, 2013 unless they are hazardous duty employees and their employer has elected the enhanced retirement multiplier. At retirement, members can elect the Basic Benefit, the Survivor Option, a Partial Lump-Sum Option Payment (PLOP) or the Advance Pension Option. A retirement reduction factor is applied to the Basic Benefit amount for members electing the Survivor Option, PLOP or Advance Pension Option or those retiring with a reduced benefit.

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

The System issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for the plans administered by VRS. A copy of the most recent report may be obtained from the VRS website at: <http://www.varetire.org/Pdf/Publications/2012-annual-report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

#### **B. Funding Policy**

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their compensation toward their retirement. All or part of the 5.00% member contribution may be assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5% member contribution. This could be phased in over a period up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. In addition, the County and School Board are required to contribute the remaining amounts necessary to fund their participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County and School Board non-professional's contribution rate for the fiscal year ended 2013 were 11.78% and 9.40% of annual covered payroll, respectively.

COUNTY OF SUSSEX, VIRGINIA

Notes to Financial Statements (Continued)

As of June 30, 2013

*Note 14 – Defined Benefit Pension Plan (Continued):*

**B. Funding Policy (Continued)**

The School Board's contribution for professional employees was \$911,686, \$486,617, and \$276,392, to the teacher cost-sharing pool for the fiscal years ended June 30, 2013, 2012, and 2011 respectively and these contributions represented 11.66%, 6.33%, and 3.93%, respectively, of current covered payroll.

**C. Annual Pension Cost**

For the fiscal year 2013, the County's annual pension cost of \$552,573 was equal to the County's required and actual contributions.

For the fiscal year 2013, the School Board's annual pension cost for the School Board's non-professional employees was \$105,114 which was equal to the Board's required and actual contributions.

Three Year Trend Information

Fiscal Year Ending		Annual Pension Cost (APC) (1)	Percentage of APC Contributed		Net Pension Obligation
County:					
June 30, 2013	\$	552,573	100%	\$	-
June 30, 2012		499,215	100%		-
June 30, 2011		509,939	100%		-
School Board:					
Non-Professional:					
June 30, 2013	\$	105,114	100%	\$	-
June 30, 2012		81,926	100%		-
June 30, 2011		81,505	100%		-

(1) Employer portion only

The fiscal year 2013 required contribution was determined as part of the June 30, 2011 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2011 included (a) an investment rate of return (net of administrative expenses) of 7.00%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees, 3.75% to 6.20% per year for teachers, and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year for Plan 1 employees and 2.25% for Plan 2 employees. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the County and School Board's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The County and 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, 2011 for the Unfunded Actuarial Accrued Liability (UAAL) was 30 years.

## COUNTY OF SUSSEX, VIRGINIA

### Notes to Financial Statements (Continued)

As of June 30, 2013

#### *Note 14 – Defined Benefit Pension Plan: (Continued)*

##### **D. Funded Status and Funding Progress**

As of June 30, 2012, the most recent actuarial valuation date, the plan was 80.88% funded. The actuarial accrued liability for benefits was \$20,350,038 and the actuarial value of assets was \$16,460,012, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,890,026. The covered payroll (annual payroll of active employees covered by the plan) was \$4,508,749, and ratio of the UAAL to the covered payroll was 86.28%.

As of June 30, 2012, the most recent actuarial valuation date, the School Board's Non-Professional plan was 83.03% funded. The actuarial accrued liability for benefits was \$2,996,520 and the actuarial value of assets was \$2,487,992, resulting in an unfunded actuarial accrued liability (UAAL) of \$508,528. The covered payroll (annual payroll of active employees covered by the plan) was \$1,067,110 and ratio of the UAAL to the covered payroll was 47.65%.

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

#### *Note 15 – Surety Bonds:*

	<u>Amount</u>
Division of Risk Management Surety Bond:	
Commonwealth Funds	
Gary M. Williams, Clerk of the Circuit Court	\$ 210,000
Onnie L. Woodruff, Treasurer	400,000
Ellen G. Boone, Commissioner of the Revenue	20,000
Raymond R. Bell, Sheriff	30,000
Continental Insurance Company-Surety:	
Dr. Arthur Jarrett, Jr., Superintendent of Schools and Clerk of the Board	10,000
All County, Social Service and School Board Employees	100,000

#### *Note 16 – Jointly Governed Organizations:*

##### **District 19 Community Services Board**

The District 19 Community Services Board is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. The governing body of this organization is appointed by the participating jurisdictions which include the cities of Colonial Heights, Emporia, Hopewell, and Petersburg, and the Counties of Sussex, Greensville, Surry, and Sussex. The governing board has the ability to execute contracts and to budget and expend funds. No one locality contributes more than 50% of the Board's funding or has oversight responsibility over its operations. Sussex County contributed \$62,775 to the District 19 Community Services Board for the fiscal year ended June 30, 2013.

## COUNTY OF SUSSEX, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2013

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### *Note 17-Other Postemployment Benefits - Health Insurance:*

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#### **A. Plan Description**

The County and School Board allow retirees to remain on their health insurance plan after they retire. All forms of coverage cease upon the first month after the death of the employee. The spouse may remain on the plan as well and coverage ceases upon the death of retiree. The School Board retirees coverage ceases upon the earlier of death or the attainment of medicare eligibility. Spouses coverage ceases upon the earlier of the eighteenth month after the death of the retiree or medicare eligibility.

#### **B. Funding Policy**

The County and School Board allow retirees and their spouses to continue to participate in the County's medical plans with the retiree paying 100% of the premium. The contribution requirements of plan members are established and may be amended by the County and School Board. The Schools currently have 14 retirees on their plan. The County has 4 retirees on its plan.

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

The County and School Board's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*. The County and School Board have elected to calculate the ARC as the normal cost plus amortization of the unfunded portion of actuarial accrued liability in compliance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed fifteen years.

The estimated contributions are based on projected medical premium payments and credit for the implicit rate subsidy made during the year for the retired employees by the County and School Board. The following table shows the components of the County and School Board's annual OPEB cost for the year, the estimated amount contributed to the plan, and changes in the County's and School Board's net OPEB obligation to the Retiree Health Plan:

	<u>COUNTY</u>	<u>SCHOOL BOARD</u>
Annual required contribution	\$ 26,000	\$ 136,000
Interest on net OPEB obligation	5,000	-
Adjustment to annual required contribution	(9,000)	-
Annual OPEB cost (expense)	<u>\$ 22,000</u>	<u>\$ 136,000</u>
Contributions made	<u>(9,000)</u>	<u>(58,000)</u>
Increase in net OPEB obligation	13,000	78,000
Net OPEB obligation-beginning of year	116,500	2,500
Net OPEB obligation-end of year	<u><u>\$ 129,500</u></u>	<u><u>\$ 80,500</u></u>



## COUNTY OF SUSSEX, VIRGINIA

### Notes to Financial Statements (Continued)

As of June 30, 2013

#### *Note 17–Other Postemployment Benefits - Health Insurance: (Continued)*

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

The County's and School Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2013 and two preceding years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
County:			
6/30/2011	\$ 37,947	35.35%	\$ 92,000
6/30/2012	37,000	33.78%	116,500
6/30/2013	22,000	40.91%	129,500
School Board:			
6/30/2011	\$ 101,690	106.73%	\$ 13,000
6/30/2012	102,000	110.29%	2,500
6/30/2013	136,000	42.65%	80,500

##### **D. Funded Status and Funding Progress**

As of July 1, 2012, the most recent actuarial valuation date, the County's actuarial accrued liability for benefits was \$224,000, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$2,434,783, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 9.20 percent.

As of July 1, 2012, the most recent actuarial valuation date, the School Board's actuarial accrued liability for benefits was \$978,000, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$10,607,217, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 9.22 percent.

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

## COUNTY OF SUSSEX, VIRGINIA

Notes to Financial Statements (Continued)

As of June 30, 2013

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### *Note 17-Other Postemployment Benefits - Health Insurance: (Continued)*

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#### **E. Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used 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.

The following simplifying assumptions were made:

*Retirement age for active employees*-Retirement age was estimated based on tables used for the VRS pension valuation and assumed that participants begin to retire when they become eligible to receive healthcare benefits.

*Mortality*-Life expectancies were based on RP-2000 Fully Generational Combined funding Mortality Table for males and females with improvements using Scale AA.

Based on the historical and expected returns of the County's short-term investment portfolio, a discount of 4.0% was used. In addition, the entry age normal actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2012 was fifteen years.

### *Note 18-Other Postemployment Benefits - Health Insurance Credit:*

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#### **A. Plan Description**

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

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

## COUNTY OF SUSSEX, VIRGINIA

Notes to Financial Statements (Continued)  
As of June 30, 2013

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### *Note 18-Other Postemployment Benefits - Health Insurance Credit: (Continued)*

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#### **A. Plan Description (Continued)**

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

#### **B. Funding Policy**

The School Board is required to contribute, at an actuarially determined rate, the entire amount necessary to fund participation in the program. The current rate is 1.11% of annual covered payroll. The School Board's contributions to VRS for the years ended June 30, 2013, 2012, and 2011 were \$86,790, \$42,198, and \$47,369, respectively and equaled the required contributions for each year.

### *Note 19-Upcoming Pronouncements:*

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

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*REQUIRED SUPPLEMENTARY INFORMATION*

*NOTE TO REQUIRED SUPPLEMENTARY INFORMATION:*

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

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County of Sussex, Virginia  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
<b>REVENUES</b>				
General property taxes	\$ 8,019,545	\$ 8,019,545	\$ 8,428,982	\$ 409,437
Other local taxes	1,046,831	1,046,831	1,074,162	27,331
Permits, privilege fees, and regulatory licenses	84,275	84,275	77,524	(6,751)
Fines and forfeitures	725,000	725,000	643,294	(81,706)
Revenue from the use of money and property	80,128	80,128	112,374	32,246
Charges for services	5,933,889	5,933,889	6,013,720	79,831
Miscellaneous	31,600	107,633	103,923	(3,710)
Recovered costs	267,488	267,488	257,135	(10,353)
Intergovernmental revenues:				
Commonwealth	4,797,915	4,920,061	4,870,679	(49,382)
Federal	1,141,342	1,156,342	1,074,204	(82,138)
Total revenues	<u>\$ 22,128,013</u>	<u>\$ 22,341,192</u>	<u>\$ 22,655,997</u>	<u>\$ 314,805</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 1,705,571	\$ 1,543,626	\$ 1,460,320	\$ 83,306
Judicial administration	1,012,682	1,074,214	1,049,720	24,494
Public safety	4,913,134	5,037,398	4,867,753	169,645
Public works	828,130	867,000	847,909	19,091
Health and welfare	3,225,203	3,278,203	2,975,556	302,647
Education	7,850,070	7,850,070	7,353,856	496,214
Parks, recreation, and cultural	207,057	211,057	192,057	19,000
Community development	848,477	891,197	817,889	73,308
Capital projects	-	-	21,250	(21,250)
Total expenditures	<u>\$ 20,590,324</u>	<u>\$ 20,752,765</u>	<u>\$ 19,586,310</u>	<u>\$ 1,166,455</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,537,689</u>	<u>\$ 1,588,427</u>	<u>\$ 3,069,687</u>	<u>\$ 1,481,260</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	\$ (1,569,781)	\$ (2,149,370)	\$ (2,232,677)	\$ (83,307)
Total other financing sources (uses)	<u>\$ (1,569,781)</u>	<u>\$ (2,149,370)</u>	<u>\$ (2,232,677)</u>	<u>\$ (83,307)</u>
Net change in fund balances	\$ (32,092)	\$ (560,943)	\$ 837,010	\$ 1,397,953
Fund balances - beginning	32,092	560,943	5,265,934	4,704,991
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,102,944</u>	<u>\$ 6,102,944</u>

County of Sussex, Virginia  
Schedule of Pension Funding Progress - Virginia Retirement System

For the Year Ended June 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Payroll
County:						
6/30/2012	\$ 16,460,012	\$ 20,350,038	\$ 3,890,026	80.88%	\$ 4,508,749	86.28%
6/30/2011	16,151,819	19,800,620	3,648,801	81.57%	4,506,637	80.97%
6/30/2010	15,555,788	19,684,445	4,128,657	79.03%	4,824,584	85.58%
6/30/2009	15,118,979	17,817,659	2,698,680	84.85%	4,770,512	56.57%
6/30/2008	14,527,294	17,712,767	3,185,473	82.02%	4,588,304	69.43%
6/30/2007	13,381,638	14,905,284	1,523,646	89.78%	4,474,099	34.05%
6/30/2006	11,792,112	13,466,222	1,674,110	87.57%	4,198,077	39.88%
6/30/2005	10,957,504	13,225,780	2,268,276	82.85%	3,987,768	56.88%
6/30/2004	10,540,838	10,584,694	43,856	99.59%	3,403,806	1.29%
6/30/2003	10,545,855	9,878,468	(667,387)	106.76%	3,404,797	-19.60%
School Board Non-Professionals:						
6/30/2012	\$ 2,487,992	\$ 2,996,520	\$ 508,528	83.03%	\$ 1,067,110	47.65%
6/30/2011	2,455,909	2,938,020	482,111	83.59%	1,039,577	46.38%
6/30/2010	2,337,013	2,678,831	341,818	87.24%	1,057,516	32.32%
6/30/2009	2,261,734	2,509,997	248,263	90.11%	1,172,173	21.18%
6/30/2008	2,120,575	2,314,213	193,638	91.63%	1,171,606	16.53%
6/30/2007	1,874,994	1,951,769	76,775	96.07%	1,026,221	7.48%
6/30/2006	1,610,148	1,839,078	228,930	87.55%	1,081,735	21.16%
6/30/2005	1,429,884	1,815,486	385,602	78.76%	1,161,983	33.18%
6/30/2004	1,293,257	1,371,939	78,682	94.26%	1,061,045	7.42%
6/30/2003	1,178,624	1,185,649	7,025	99.41%	858,007	0.82%



County of Sussex, Virginia  
Schedule of OPEB Funding Progress - Retiree Healthcare Plan  
For the Year Ended June 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded (Excess Funded) Actuarial Accrued Liability (UAAL)	Funded Ratio (2)/(3)	Covered Payroll	UAAL as % of Payroll
County:						
7/1/2008	\$ -	\$ 255,000	\$ 255,000	0.00%	\$ 2,947,090	8.65%
7/1/2010	-	282,000	282,000	0.00%	2,855,746	9.87%
7/1/2012	-	224,000	224,000	0.00%	2,434,783	9.20%
School Board:						
7/1/2008	\$ -	\$ 750,000	\$ 750,000	0.00%	\$ 8,667,910	8.65%
7/1/2010	-	783,000	783,000	0.00%	7,929,254	9.87%
7/1/2012	-	978,000	978,000	0.00%	10,607,217	9.22%

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*OTHER SUPPLEMENTARY INFORMATION*

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*COMBINING AND INDIVIDUAL FUNDS STATEMENTS AND  
SCHEDULES*

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County of Sussex, Virginia  
County Capital Projects Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 19,000	\$ 19,000	\$ 49,685	\$ 30,685
Charges for services	34,000	34,000	28,922	(5,078)
Intergovernmental revenues:				
Commonwealth	4,600,000	8,540,200	4,537,507	(4,002,693)
Total revenues	<u>\$ 4,653,000</u>	<u>\$ 8,593,200</u>	<u>\$ 4,616,114</u>	<u>\$ (3,977,086)</u>
<b>EXPENDITURES</b>				
Capital projects	\$ 13,117,307	\$ 18,265,896	\$ 11,916,855	\$ 6,349,041
Debt service:				
Principal retirement	1,169,109	1,169,109	1,169,109	-
Interest and other fiscal charges	676,462	676,462	608,076	68,386
Total expenditures	<u>\$ 14,962,878</u>	<u>\$ 20,111,467</u>	<u>\$ 13,694,040</u>	<u>\$ 6,417,427</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (10,309,878)</u>	<u>\$ (11,518,267)</u>	<u>\$ (9,077,926)</u>	<u>\$ 2,440,341</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 1,569,781	\$ 2,149,370	\$ 2,232,677	\$ 83,307
Total other financing sources (uses)	<u>\$ 1,569,781</u>	<u>\$ 2,149,370</u>	<u>\$ 2,232,677</u>	<u>\$ 83,307</u>
Net change in fund balances	\$ (8,740,097)	\$ (9,368,897)	\$ (6,845,249)	\$ 2,523,648
Fund balances - beginning	8,740,097	9,368,897	19,957,003	10,588,106
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,111,754</u>	<u>\$ 13,111,754</u>

County of Sussex, Virginia  
Nonmajor Special Revenue Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2013

	County Special Revenue Fund				
	Budgeted Amounts				Variance with Final Budget Positive (Negative)
	Original	Final	Actual		
REVENUES					
Revenue from the use of money and property	\$ 30	\$ 30	\$ 71	\$	41
Charges for services	2,370	2,370	885		(1,485)
Miscellaneous	-	-	306		306
Intergovernmental revenues:					
Commonwealth	-	1,636	3,517		1,881
Total revenues	\$ 2,400	\$ 4,036	\$ 4,779	\$	743
EXPENDITURES					
Current:					
Judicial administration	\$ 2,400	\$ 2,400	\$ 331	\$	2,069
Public safety	-	32,863	11,161		21,702
Total expenditures	\$ 2,400	\$ 35,263	\$ 11,492	\$	23,771
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (31,227)	\$ (6,713)	\$	24,514
Net change in fund balances	\$ -	\$ (31,227)	\$ (6,713)	\$	24,514
Fund balances - beginning	-	31,227	53,784		22,557
Fund balances - ending	\$ -	\$ -	\$ 47,071	\$	47,071



County of Sussex, Virginia  
Combining Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2013

	Agency Funds					Private Purpose Trust Funds				
	Special Welfare	Sheriff Information	Canteen	Jail Inmate	Total	Robert Mitchell Scholarship	Rotary Scholarship	Richard Clements Moore III Scholarship	Millard Stith Family Scholarship	Total
<b>ASSETS</b>										
Cash and cash equivalents	\$ 2,160	\$ 9,556	\$ 4,115	\$ 5,224	\$ 21,055	\$ 29,220	\$ 28,895	\$ 28,254	\$ 61,164	\$ 147,533
Total assets	\$ 2,160	\$ 9,556	\$ 4,115	\$ 5,224	\$ 21,055	\$ 29,220	\$ 28,895	\$ 28,254	\$ 61,164	\$ 147,533
<b>LIABILITIES</b>										
Amounts held for social services clients	\$ 2,160	\$ -	\$ -	\$ -	\$ 2,160	\$ -	\$ -	\$ -	\$ -	\$ -
Amounts held for others	-	9,556	-	-	9,556	-	-	-	-	-
Amounts held for inmates	-	-	4,115	5,224	9,339	-	-	-	-	-
Total liabilities	\$ 2,160	\$ 9,556	\$ 4,115	\$ 5,224	\$ 21,055	\$ -	\$ -	\$ -	\$ -	\$ -
<b>NET POSITION</b>										
Amounts held in trust for scholarships	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,220	\$ 28,895	\$ 28,254	\$ 61,164	\$ 147,533
Total net position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,220	\$ 28,895	\$ 28,254	\$ 61,164	\$ 147,533
Total liabilities and net position	\$ 2,160	\$ 9,556	\$ 4,115	\$ 5,224	\$ 21,055	\$ 29,220	\$ 28,895	\$ 28,254	\$ 61,164	\$ 147,533

County of Sussex, Virginia  
Combining Statement of Changes in Assets and Liabilities - Agency Funds  
For the Year Ended June 30, 2013

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
<b>Special Welfare:</b>				
Assets:				
Cash and cash equivalents	\$ 608	\$ 15,199	\$ 13,647	\$ 2,160
Liabilities:				
Amounts held for social services clients	\$ 608	\$ 15,199	\$ 13,647	\$ 2,160
<b>Sheriff Information:</b>				
Assets:				
Cash and cash equivalents	\$ 5,664	\$ 9,336	\$ 5,444	\$ 9,556
Liabilities:				
Amounts held for others	\$ 5,664	\$ 9,336	\$ 5,444	\$ 9,556
<b>Jail Inmate:</b>				
Assets:				
Cash and cash equivalents	\$ 2,243	\$ 42,981	\$ 40,000	\$ 5,224
Liabilities:				
Amounts held for inmates	\$ 2,243	\$ 42,981	\$ 40,000	\$ 5,224
<b>Canteen:</b>				
Assets:				
Cash and cash equivalents	\$ 4,721	\$ 4,150	\$ 4,756	\$ 4,115
Liabilities:				
Amounts held for inmates	\$ 4,721	\$ 4,150	\$ 4,756	\$ 4,115
<b>Totals -- All Agency Funds</b>				
Assets:				
Cash and cash equivalents	\$ 13,236	\$ 71,666	\$ 63,847	\$ 21,055
Total assets	\$ 13,236	\$ 71,666	\$ 63,847	\$ 21,055
Liabilities:				
Amounts held for inmates	\$ 6,964	\$ 47,131	\$ 44,756	\$ 9,339
Amounts held for others	5,664	9,336	5,444	9,556
Amounts held for social services clients	608	15,199	13,647	2,160
Total liabilities	\$ 13,236	\$ 71,666	\$ 63,847	\$ 21,055

*DISCRETELY PRESENTED COMPONENT UNIT  
SCHOOL BOARD*

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County of Sussex, Virginia  
Combining Balance Sheet  
Discretely Presented Component Unit - School Board  
June 30, 2013

	School Operating <u>Fund</u>	School Special Revenue <u>Fund</u>	Total Governmental <u>Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 811,644	\$ 249,904	\$ 1,061,548
Receivables (net of allowance for uncollectibles):			
Accounts receivable	334		334
Due from other governmental units	953,279	26,794	980,073
Prepaid items	125,726	-	125,726
Total assets	<u>\$ 1,890,983</u>	<u>\$ 276,698</u>	<u>\$ 2,167,681</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 44,753	\$ 9,992	\$ 54,745
Accrued liabilities	960,161	52,816	1,012,977
Due to other governmental units	758,469	-	758,469
Unearned revenue	1,874	-	1,874
Total liabilities	<u>\$ 1,765,257</u>	<u>\$ 62,808</u>	<u>\$ 1,828,065</u>
Fund balances:			
Nonspendable	\$ 125,726	-	\$ 125,726
Committed:			
School cafeteria fund	-	52,861	52,861
School textbook fund	-	161,029	161,029
Total fund balances	<u>\$ 125,726</u>	<u>\$ 213,890</u>	<u>\$ 339,616</u>
Total liabilities and fund balances	<u>\$ 1,890,983</u>	<u>\$ 276,698</u>	<u>\$ 2,167,681</u>

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:

Total fund balances per above	\$ 339,616
-------------------------------	------------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:

Capital assets, cost	\$ 23,045,846	
Accumulated depreciation	<u>(6,648,063)</u>	16,397,783

Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:

VRS Early retirement liability	\$ (897,550)	
Net OPEB obligation	(80,500)	
Compensated absences	<u>(557,458)</u>	(1,535,508)

Net position of governmental activities	<u>\$ 15,201,891</u>
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County of Sussex, Virginia  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds - Discretely Presented Component Unit - School Board  
For the Year Ended June 30, 2013

	School Operating Fund	School Special Revenue Fund	Total Governmental Funds
<b>REVENUES</b>			
Revenue from the use of money and property	\$ 1,227	\$ 86	\$ 1,313
Charges for services	-	305,610	305,610
Miscellaneous	144,293	3,267	147,560
Intergovernmental revenues:			
Local government	7,347,956	-	7,347,956
Commonwealth	7,306,417	82,224	7,388,641
Federal	2,467,893	674,923	3,142,816
Total revenues	<u>\$ 17,267,786</u>	<u>\$ 1,066,110</u>	<u>\$ 18,333,896</u>
<b>EXPENDITURES</b>			
Current:			
Education	\$ 17,113,684	\$ 1,085,367	\$ 18,199,051
Debt service:			
Principal retirement	49,928	-	49,928
Interest and other fiscal charges	75,798	-	75,798
Total expenditures	<u>\$ 17,239,410</u>	<u>\$ 1,085,367</u>	<u>\$ 18,324,777</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 28,376</u>	<u>\$ (19,257)</u>	<u>\$ 9,119</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ -	\$ 28,376	\$ 28,376
Transfers out	(28,376)	-	(28,376)
Total other financing sources (uses)	<u>\$ (28,376)</u>	<u>\$ 28,376</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ 9,119	\$ 9,119
Fund balances - beginning	125,726	204,771	330,497
Fund balances - ending	<u>\$ 125,726</u>	<u>\$ 213,890</u>	<u>\$ 339,616</u>

Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:

Net change in fund balances - total governmental funds - per above \$ 9,119

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.

Activity related to joint tenancy assets of Primary Government and Component Unit School Board	\$ 7,807,864	
Capital outlays	86,421	
Depreciation expense	<u>(1,068,122)</u>	6,826,163

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

VRS early retirement liability - principal payment 49,928

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

(Increase) decrease in compensated absences	\$ 129,640	
(Increase) decrease in net OPEB obligation	<u>(78,000)</u>	51,640

Change in net position of governmental activities \$ 6,936,850

County of Sussex, Virginia  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Discretely Presented Component Unit - School Board  
For the Year Ended June 30, 2013

	School Operating Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 1,000	\$ 1,000	\$ 1,227	\$ 227
Miscellaneous	73,500	73,500	144,293	70,793
Intergovernmental revenues:				
Local government	7,844,170	7,844,170	7,347,956	(496,214)
Commonwealth	7,355,354	7,560,589	7,306,417	(254,172)
Federal	2,380,399	2,380,399	2,467,893	87,494
Total revenues	<u>\$ 17,654,423</u>	<u>\$ 17,859,658</u>	<u>\$ 17,267,786</u>	<u>\$ (591,872)</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 17,508,136	\$ 17,713,371	\$ 17,113,684	\$ 599,687
Debt service:				
Principal retirement	49,928	49,928	49,928	-
Interest and other fiscal charges	75,798	75,798	75,798	-
Total expenditures	<u>\$ 17,633,862</u>	<u>\$ 17,839,097</u>	<u>\$ 17,239,410</u>	<u>\$ 599,687</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 20,561</u>	<u>\$ 20,561</u>	<u>\$ 28,376</u>	<u>\$ 7,815</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	\$ (20,561)	\$ (20,561)	\$ (28,376)	\$ (7,815)
Total other financing sources (uses)	<u>\$ (20,561)</u>	<u>\$ (20,561)</u>	<u>\$ (28,376)</u>	<u>\$ (7,815)</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	125,726	125,726
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,726</u>	<u>\$ 125,726</u>

County of Sussex, Virginia  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Nonmajor Special Revenue Fund - Discretely Presented Component Unit - School Board  
For the Year Ended June 30, 2013

	School Special Revenue Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ 86	\$ 86
Charges for services	408,489	408,489	305,610	(102,879)
Miscellaneous	-	-	3,267	3,267
Intergovernmental revenues:				
Commonwealth	83,429	83,429	82,224	(1,205)
Federal	571,500	616,551	674,923	58,372
Total revenues	<u>\$ 1,063,418</u>	<u>\$ 1,108,469</u>	<u>\$ 1,066,110</u>	<u>\$ (42,359)</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 1,083,979	\$ 1,129,030	\$ 1,085,367	\$ 43,663
Total expenditures	<u>\$ 1,083,979</u>	<u>\$ 1,129,030</u>	<u>\$ 1,085,367</u>	<u>\$ 43,663</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (20,561)	\$ (20,561)	\$ (19,257)	\$ 1,304
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 20,561	\$ 20,561	\$ 28,376	\$ 7,815
Total other financing sources (uses)	<u>\$ 20,561</u>	<u>\$ 20,561</u>	<u>\$ 28,376</u>	<u>\$ 7,815</u>
Net change in fund balances	\$ -	\$ -	\$ 9,119	\$ 9,119
Fund balances - beginning	-	-	204,771	204,771
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 213,890</u>	<u>\$ 213,890</u>



## *SUPPORTING SCHEDULES*

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County of Sussex, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2013

Schedule 1  
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 4,600,000	\$ 4,600,000	\$ 4,667,910	\$ 67,910
Real and personal public service corporation taxes	376,200	376,200	572,225	196,025
Personal property taxes	1,947,845	1,947,845	2,025,974	78,129
Mobile home taxes	30,000	30,000	15,094	(14,906)
Machinery and tools taxes	850,000	850,000	872,143	22,143
Merchants capital taxes	90,000	90,000	135,943	45,943
Penalties	72,000	72,000	77,418	5,418
Interest	53,500	53,500	62,275	8,775
Total general property taxes	\$ 8,019,545	\$ 8,019,545	\$ 8,428,982	\$ 409,437
Other local taxes:				
Local sales and use taxes	\$ 628,781	\$ 628,781	\$ 659,547	\$ 30,766
Consumers' utility taxes	90,000	90,000	90,173	173
Consumption tax	38,000	38,000	40,728	2,728
Cable franchise taxes	1,500	1,500	1,680	180
Business license taxes	22,100	22,100	19,905	(2,195)
Motor vehicle licenses	226,500	226,500	214,182	(12,318)
Bank stock taxes	1,950	1,950	2,542	592
Transient occupancy taxes	38,000	38,000	45,405	7,405
Total other local taxes	\$ 1,046,831	\$ 1,046,831	\$ 1,074,162	\$ 27,331
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 10,200	\$ 10,200	\$ 8,264	\$ (1,936)
Transfer fees	275	275	348	73
Permits and other licenses	73,800	73,800	68,912	(4,888)
Total permits, privilege fees, and regulatory licenses	\$ 84,275	\$ 84,275	\$ 77,524	\$ (6,751)
Fines and forfeitures:				
Court fines and forfeitures	\$ 725,000	\$ 725,000	\$ 643,294	\$ (81,706)
Total fines and forfeitures	\$ 725,000	\$ 725,000	\$ 643,294	\$ (81,706)
Revenue from use of money and property:				
Revenue from use of money	\$ 40,078	\$ 40,078	\$ 59,981	\$ 19,903
Revenue from use of property	40,050	40,050	52,393	12,343
Total revenue from use of money and property	\$ 80,128	\$ 80,128	\$ 112,374	\$ 32,246
Charges for services:				
Sheriff fees	\$ 665	\$ 665	\$ 604	\$ (61)
Charges for court costs	2,900	2,900	2,843	(57)
Charges for Commonwealth's Attorney	800	800	1,919	1,119
Courthouse security fees	190,000	190,000	153,568	(36,432)
Charges for correction and detention	25,500	25,500	25,624	124
Charges for other protection	1,500	1,500	878	(622)
Charges for sanitation and waste removal:				
Tipping fees	5,500,000	5,500,000	5,603,067	103,067
Quality control fees	192,524	192,524	200,000	7,476

County of Sussex, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2013

Schedule 1  
Page 2 of 6

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Revenue from local sources: (Continued)				
Charges for services: (Continued)				
Charges for community development	\$ 20,000	\$ 20,000	\$ 25,217	\$ 5,217
Total charges for services	\$ 5,933,889	\$ 5,933,889	\$ 6,013,720	\$ 79,831
Miscellaneous revenue:				
Miscellaneous	\$ 31,600	\$ 107,633	\$ 103,923	\$ (3,710)
Recovered costs:				
Wakefield sheriff patrol	\$ 57,658	\$ 57,658	\$ 63,886	\$ 6,228
Jurors	8,700	8,700	6,566	(2,134)
Jail clean up	20,000	20,000	13,816	(6,184)
Clerk of the circuit court	1,300	1,300	1,445	145
Social security bounty	1,700	1,700	1,200	(500)
Indoor plumbing	9,576	9,576	19,938	10,362
CDBG housing loan payments	4,854	4,854	4,830	(24)
Health department	-	-	10,600	10,600
VHDA	83,700	83,700	83,586	(114)
Trash collections - school board	80,000	80,000	51,268	(28,732)
Total recovered costs	\$ 267,488	\$ 267,488	\$ 257,135	\$ (10,353)
Total revenue from local sources	\$ 16,188,756	\$ 16,264,789	\$ 16,711,114	\$ 446,325
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Rolling stock tax	\$ 74,000	\$ 74,000	\$ 176,496	\$ 102,496
Mobile home titling tax	21,000	21,000	12,945	(8,055)
Taxes on deeds	62,000	62,000	56,414	(5,586)
Payment in lieu of taxes-prison	11,285	11,285	17,867	6,582
State recordation tax	20,000	20,000	14,326	(5,674)
Personal property tax relief funds	1,075,155	1,075,155	1,036,341	(38,814)
Communication taxes	170,000	170,000	179,366	9,366
Reduction in aid to localities	(119,000)	(119,000)	(99,188)	19,812
Total noncategorical aid	\$ 1,314,440	\$ 1,314,440	\$ 1,394,567	\$ 80,127
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 222,986	\$ 222,986	\$ 221,055	\$ (1,931)
Sheriff	1,265,013	1,265,013	1,263,361	(1,652)
Commissioner of revenue	69,768	69,768	69,868	100
Treasurer	79,633	79,633	79,841	208
Registrar/electoral board	47,385	47,385	35,212	(12,173)
Clerk of circuit court	180,612	180,612	197,416	16,804
Local jails	126,389	126,389	118,856	(7,533)
Total shared expenses	\$ 1,991,786	\$ 1,991,786	\$ 1,985,609	\$ (6,177)

County of Sussex, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2013

Schedule 1  
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Intergovernmental revenues: (Continued)				
Revenue from the Commonwealth: (Continued)				
Other categorical aid:				
Public assistance and welfare administration	\$ 575,547	\$ 575,547	\$ 527,782	\$ (47,765)
Fire programs fund	22,470	22,470	-	(22,470)
Clerk's records grant	-	-	3,227	3,227
Comprehensive services act	617,000	617,000	459,643	(157,357)
Emergency medical services	9,509	9,509	9,897	388
Wireless funds	108,000	108,000	152,669	44,669
Art grant	5,000	5,000	5,000	-
Victim-witness grant	54,163	54,163	55,246	1,083
Animal friendly plates	-	-	122	122
Timber sale	-	122,146	145,684	23,538
IPR grant	100,000	100,000	131,233	31,233
Total other categorical aid	\$ 1,491,689	\$ 1,613,835	\$ 1,490,503	\$ (123,332)
Total categorical aid	\$ 3,483,475	\$ 3,605,621	\$ 3,476,112	\$ (129,509)
Total revenue from the Commonwealth	\$ 4,797,915	\$ 4,920,061	\$ 4,870,679	\$ (49,382)
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 1,141,342	\$ 1,141,342	\$ 1,046,621	\$ (94,721)
Byrne grant	-	-	3,783	3,783
Community development block grant	-	15,000	23,800	8,800
Total categorical aid	\$ 1,141,342	\$ 1,156,342	\$ 1,074,204	\$ (82,138)
Total revenue from the federal government	\$ 1,141,342	\$ 1,156,342	\$ 1,074,204	\$ (82,138)
Total General Fund	\$ 22,128,013	\$ 22,341,192	\$ 22,655,997	\$ 314,805
<b>Special Revenue Fund:</b>				
<b>County Special Revenue Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 30	\$ 30	\$ 71	\$ 41
Total revenue from use of money and property	\$ 30	\$ 30	\$ 71	\$ 41
Charges for services:				
Law library fees	\$ 2,370	\$ 2,370	\$ 885	\$ (1,485)
Total charges for services	\$ 2,370	\$ 2,370	\$ 885	\$ (1,485)
Miscellaneous revenue:				
Miscellaneous	\$ -	\$ -	\$ 306	\$ 306
Total miscellaneous revenue	\$ -	\$ -	\$ 306	\$ 306
Total revenue from local sources	\$ 2,400	\$ 2,400	\$ 1,262	\$ (1,138)

County of Sussex, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2013

Schedule 1  
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Special Revenue Fund: (Continued)</b>				
<b>County Special Revenue Fund: (Continued)</b>				
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
Forfeited assets	\$ -	\$ 1,636	\$ 3,517	\$ 1,881
Total categorical aid	\$ -	\$ 1,636	\$ 3,517	\$ 1,881
 Total revenue from the Commonwealth	 \$ -	 \$ 1,636	 \$ 3,517	 \$ 1,881
 Total County Special Revenue Fund	 \$ 2,400	 \$ 4,036	 \$ 4,779	 \$ 743
 <b>Capital Projects Fund:</b>				
<b>County Capital Projects Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 19,000	\$ 19,000	\$ 49,685	\$ 30,685
 Charges for services:				
Courthouse maintenance fees	\$ 34,000	\$ 34,000	\$ 28,922	\$ (5,078)
Total charges for services	\$ 34,000	\$ 34,000	\$ 28,922	\$ (5,078)
 Total revenue from local sources	 \$ 53,000	 \$ 53,000	 \$ 78,607	 \$ 25,607
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
Tobacco commission grants	\$ 4,600,000	\$ 8,540,200	\$ 4,537,507	\$ (4,002,693)
 Total revenue from the Commonwealth	 \$ 4,600,000	 \$ 8,540,200	 \$ 4,537,507	 \$ (4,002,693)
 Total County Capital Projects Fund	 \$ 4,653,000	 \$ 8,593,200	 \$ 4,616,114	 \$ (3,977,086)
 Total Primary Government	 \$ 26,783,413	 \$ 30,938,428	 \$ 27,276,890	 \$ (3,661,538)
 <b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 1,000	\$ 1,000	\$ 1,227	\$ 227
Total revenue from use of money and property	\$ 1,000	\$ 1,000	\$ 1,227	\$ 227
 Miscellaneous revenue:				
Miscellaneous	\$ 73,500	\$ 73,500	\$ 144,293	\$ 70,793
 Total revenue from local sources	 \$ 74,500	 \$ 74,500	 \$ 145,520	 \$ 71,020

County of Sussex, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2013

Schedule 1  
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Sussex	\$ 7,844,170	\$ 7,844,170	\$ 7,347,956	\$ (496,214)
Total revenues from local governments	<u>\$ 7,844,170</u>	<u>\$ 7,844,170</u>	<u>\$ 7,347,956</u>	<u>\$ (496,214)</u>
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 1,366,379	\$ 1,366,379	\$ 1,359,652	\$ (6,727)
Basic school aid	3,300,950	3,301,690	3,311,194	9,504
Remedial summer education	45,751	45,751	41,677	(4,074)
Regular foster care	7,749	7,749	5,056	(2,693)
Gifted and talented	34,016	34,016	34,134	118
Remedial education	242,550	242,550	243,387	837
Special education	695,853	695,853	698,253	2,400
GED funding	7,859	7,859	7,859	-
Vocational education	90,641	111,347	109,074	(2,273)
School fringes	646,308	744,485	746,730	2,245
Mentor teacher program	539	539	2,226	1,687
Early reading intervention	16,547	20,684	26,889	6,205
English as a second language	8,690	8,690	7,900	(790)
Special education - private tuition	33,294	33,294	10,670	(22,624)
At risk payments	342,545	342,605	344,116	1,511
Standards of Learning algebra readiness	27,480	27,480	29,646	2,166
Primary class size	202,203	283,224	293,382	10,158
Educational technology	180,000	180,000	25,410	(154,590)
Homebound	6,000	6,000	3,768	(2,232)
Other state funds	100,000	100,394	5,394	(95,000)
Total categorical aid	<u>\$ 7,355,354</u>	<u>\$ 7,560,589</u>	<u>\$ 7,306,417</u>	<u>\$ (254,172)</u>
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 436,145	\$ 436,145	\$ 392,461	\$ (43,684)
Title VI-B, special education flow-through	297,768	297,768	414,354	116,586
Vocational education	27,196	27,196	28,539	1,343
Title VI-B, special education pre-school	9,343	9,343	9,364	21
Rural education	19,778	19,778	40,713	20,935
21st century learning center	198,646	198,646	229,314	30,668
Title II Part A	95,367	95,367	97,896	2,529
Gear up	14,600	14,600	5,550	(9,050)
Education technology	15,000	15,000	7,893	(7,107)
Education jobs fund - ARRA	358,389	358,389	363,382	4,993
JROTC	54,000	54,000	57,631	3,631
1003g school improvement - ARRA	854,167	854,167	820,796	(33,371)
Total categorical aid	<u>\$ 2,380,399</u>	<u>\$ 2,380,399</u>	<u>\$ 2,467,893</u>	<u>\$ 87,494</u>
Total School Operating Fund	<u>\$ 17,654,423</u>	<u>\$ 17,859,658</u>	<u>\$ 17,267,786</u>	<u>\$ (591,872)</u>

County of Sussex, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2013

Schedule 1  
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
Special Revenue Fund:				
School Special Revenue Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 86	\$ 86
Total revenue from use of money and property	\$ -	\$ -	\$ 86	\$ 86
Charges for services:				
Cafeteria sales	\$ 408,489	\$ 408,489	\$ 305,610	\$ (102,879)
Total charges for services	\$ 408,489	\$ 408,489	\$ 305,610	\$ (102,879)
Miscellaneous revenue:				
Miscellaneous	\$ -	\$ -	\$ 3,267	\$ 3,267
Total miscellaneous revenue	\$ -	\$ -	\$ 3,267	\$ 3,267
Total revenue from local sources	\$ 408,489	\$ 408,489	\$ 308,963	\$ (99,526)
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program	\$ 17,075	\$ 17,075	\$ 15,641	\$ (1,434)
Textbook payment	66,354	66,354	66,583	229
Total categorical aid	\$ 83,429	\$ 83,429	\$ 82,224	\$ (1,205)
Total revenue from the Commonwealth	\$ 83,429	\$ 83,429	\$ 82,224	\$ (1,205)
Revenue from the federal government:				
Categorical aid:				
School food program	\$ 571,500	\$ 571,500	\$ 605,587	\$ 34,087
Commodities	-	45,051	45,051	-
Summer feeding	-	-	24,285	24,285
Total categorical aid	\$ 571,500	\$ 616,551	\$ 674,923	\$ 58,372
Total revenue from the federal government	\$ 571,500	\$ 616,551	\$ 674,923	\$ 58,372
Total School Special Revenue Fund	\$ 1,063,418	\$ 1,108,469	\$ 1,066,110	\$ (42,359)
Total Discretely Presented Component Unit - School Board	\$ 18,717,841	\$ 18,968,127	\$ 18,333,896	\$ (634,231)



County of Sussex, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2013

**Schedule 2**  
**Page 1 of 5**

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 106,108	\$ 166,760	\$ 170,415	\$ (3,655)
General and financial administration:				
County administrator	\$ 559,384	\$ 564,088	\$ 491,817	\$ 72,271
Legal services	64,590	67,190	67,552	(362)
Commissioner of revenue	227,129	227,129	214,199	12,930
Treasurer	360,534	360,534	347,425	13,109
Other general and financial administration	229,841	(60)	15,362	(15,422)
Total general and financial administration	\$ 1,441,478	\$ 1,218,881	\$ 1,136,355	\$ 82,526
Board of elections:				
Electoral board and officials	\$ 157,985	\$ 157,985	\$ 153,550	\$ 4,435
Total general government administration	\$ 1,705,571	\$ 1,543,626	\$ 1,460,320	\$ 83,306
Judicial administration:				
Courts:				
Circuit court	\$ 28,490	\$ 43,732	\$ 47,569	\$ (3,837)
General district court	25,210	25,210	17,090	8,120
Special magistrates	4,818	7,108	6,680	428
Juvenile and domestic relations court	8,941	8,941	8,941	-
Sheriff	151,814	188,814	181,689	7,125
Victim witness	65,319	65,319	65,231	88
Clerk of the circuit court	304,556	311,556	309,474	2,082
Total courts	\$ 589,148	\$ 650,680	\$ 636,674	\$ 14,006
Commonwealth's attorney:				
Commonwealth's attorney	\$ 423,534	\$ 423,534	\$ 413,046	\$ 10,488
Total commonwealth's attorney	\$ 423,534	\$ 423,534	\$ 413,046	\$ 10,488
Total judicial administration	\$ 1,012,682	\$ 1,074,214	\$ 1,049,720	\$ 24,494
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,522,938	\$ 1,553,061	\$ 1,483,381	\$ 69,680
School resource officer grant	97,092	98,241	100,752	(2,511)
911 services	192,330	232,664	195,027	37,637
Wakefield operations	58,278	58,278	51,842	6,436
Total law enforcement and traffic control	\$ 1,870,638	\$ 1,942,244	\$ 1,831,002	\$ 111,242
Fire and rescue services:				
Fire department	\$ 130,974	\$ 157,833	\$ 143,000	\$ 14,833
Ambulance and rescue services	619,936	626,936	549,583	77,353
Forest fire extinction services	23,403	23,403	23,403	-
Emergency services	199,411	208,585	202,609	5,976
Total fire and rescue services	\$ 973,724	\$ 1,016,757	\$ 918,595	\$ 98,162

County of Sussex, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2013

Schedule 2  
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<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Public safety: (Continued)				
Correction and detention:				
Confinement and care of prisoners	\$ 1,607,873	\$ 1,613,686	\$ 1,699,554	\$ (85,868)
Total correction and detention	\$ 1,607,873	\$ 1,613,686	\$ 1,699,554	\$ (85,868)
Inspections:				
Building	\$ 246,822	\$ 246,822	\$ 212,244	\$ 34,578
Total inspections	\$ 246,822	\$ 246,822	\$ 212,244	\$ 34,578
Other protection:				
Animal control	\$ 214,077	\$ 217,889	\$ 206,358	\$ 11,531
Total other protection	\$ 214,077	\$ 217,889	\$ 206,358	\$ 11,531
Total public safety	\$ 4,913,134	\$ 5,037,398	\$ 4,867,753	\$ 169,645
Public works:				
Sanitation and waste removal:				
Refuse disposal	\$ 221,985	\$ 231,855	\$ 236,973	\$ (5,118)
Total sanitation and waste removal	\$ 221,985	\$ 231,855	\$ 236,973	\$ (5,118)
Maintenance of general buildings and grounds:				
General properties	\$ 539,939	\$ 568,939	\$ 552,653	\$ 16,286
General works	66,206	66,206	58,283	7,923
Total maintenance of general buildings and grounds	\$ 606,145	\$ 635,145	\$ 610,936	\$ 24,209
Total public works	\$ 828,130	\$ 867,000	\$ 847,909	\$ 19,091
Health and welfare:				
Health:				
Supplement of local health department	\$ 178,131	\$ 178,131	\$ 178,131	\$ -
Total health	\$ 178,131	\$ 178,131	\$ 178,131	\$ -
Mental health and mental retardation:				
Community services board	\$ 62,775	\$ 62,775	\$ 62,775	\$ -
Total mental health and mental retardation	\$ 62,775	\$ 62,775	\$ 62,775	\$ -
Welfare:				
Public assistance and welfare administration	\$ 2,147,838	\$ 2,200,838	\$ 2,019,614	\$ 181,224
Area agency on aging	5,999	5,999	5,999	-
Other social services	55,460	55,460	54,509	951
Comprehensive services act	775,000	775,000	654,528	120,472
Total welfare	\$ 2,984,297	\$ 3,037,297	\$ 2,734,650	\$ 302,647
Total health and welfare	\$ 3,225,203	\$ 3,278,203	\$ 2,975,556	\$ 302,647
Education:				
Other instructional costs:				
Contributions to Community Colleges	\$ 5,900	\$ 5,900	\$ 5,900	\$ -
Contribution to County School Board	7,844,170	7,844,170	7,347,956	496,214
Total education	\$ 7,850,070	\$ 7,850,070	\$ 7,353,856	\$ 496,214

County of Sussex, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2013

Schedule 2  
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<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Parks, recreation, and cultural:				
Parks and recreation:				
Recreation center	\$ 35,500	\$ 39,500	\$ 20,500	\$ 19,000
Total parks and recreation	\$ 35,500	\$ 39,500	\$ 20,500	\$ 19,000
Cultural enrichment:				
Wakefield foundation	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Carpenter museum	10,000	10,000	10,000	-
Total cultural enrichment	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
Library:				
Contribution to regional library	\$ 151,557	\$ 151,557	\$ 151,557	\$ -
Total library	\$ 151,557	\$ 151,557	\$ 151,557	\$ -
Total parks, recreation, and cultural	\$ 207,057	\$ 211,057	\$ 192,057	\$ 19,000
Community development:				
Planning and community development:				
Planning and zoning	\$ 187,604	\$ 187,604	\$ 149,219	\$ 38,385
Industrial development authority	558	558	-	558
Planning district commission	9,790	9,790	9,790	-
Indoor plumbing	146,600	146,600	126,258	20,342
Housing assistance and other	239,559	269,559	258,459	11,100
Total planning and community development	\$ 584,111	\$ 614,111	\$ 543,726	\$ 70,385
Environmental management:				
Contribution to soil and water conservation district	\$ 3,355	\$ 3,355	\$ 3,355	\$ -
Environmental inspection	197,724	210,444	208,952	1,492
Other environmental management	2,000	2,000	8,915	(6,915)
Total environmental management	\$ 203,079	\$ 215,799	\$ 221,222	\$ (5,423)
Cooperative extension program:				
Extension office	\$ 61,287	\$ 61,287	\$ 52,941	\$ 8,346
Total cooperative extension program	\$ 61,287	\$ 61,287	\$ 52,941	\$ 8,346
Total community development	\$ 848,477	\$ 891,197	\$ 817,889	\$ 73,308
Capital projects:				
Woodfuel development loan - DHCD	\$ -	\$ -	\$ 21,250	\$ (21,250)
Total capital projects	\$ -	\$ -	\$ 21,250	\$ (21,250)
Total General Fund	\$ 20,590,324	\$ 20,752,765	\$ 19,586,310	\$ 1,166,455

County of Sussex, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2013

**Schedule 2**  
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<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Special Revenue Fund:</b>				
<b>County Special Revenue Fund:</b>				
Judicial administration:				
Courts:				
Law library	\$ 2,400	\$ 2,400	\$ 331	\$ 2,069
Total judicial administration	\$ 2,400	\$ 2,400	\$ 331	\$ 2,069
Public Safety:				
Other Protection:				
Forfeited assets	\$ -	\$ 32,863	\$ 11,161	\$ 21,702
Total other protection	\$ -	\$ 32,863	\$ 11,161	\$ 21,702
Total public safety	\$ -	\$ 32,863	\$ 11,161	\$ 21,702
Total County Special Revenue Fund	\$ 2,400	\$ 35,263	\$ 11,492	\$ 23,771
<b>County Capital Projects Fund:</b>				
Capital projects expenditures:				
Capital projects	\$ 4,974,338	\$ 10,261,083	\$ 5,559,036	\$ 4,702,047
School capital projects	8,142,969	8,004,813	6,357,819	1,646,994
Total capital projects	\$ 13,117,307	\$ 18,265,896	\$ 11,916,855	\$ 6,349,041
Debt service:				
Principal retirement	\$ 1,169,109	\$ 1,169,109	\$ 1,169,109	\$ -
Interest and other fiscal charges	676,462	676,462	608,076	68,386
Total debt service	\$ 1,845,571	\$ 1,845,571	\$ 1,777,185	\$ 68,386
Total County Capital Projects Fund	\$ 14,962,878	\$ 20,111,467	\$ 13,694,040	\$ 6,417,427
Total Primary Government	\$ 35,555,602	\$ 40,899,495	\$ 33,291,842	\$ 7,607,653
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Education:				
Administration, health, and attendance	\$ 749,157	\$ 738,550	\$ 713,001	\$ 25,549
Instruction costs	13,261,217	13,400,389	12,649,501	750,888
Pupil transportation	1,777,928	1,758,489	1,994,796	(236,307)
Operation and maintenance of school plant	1,719,834	1,815,943	1,756,386	59,557
Total education	\$ 17,508,136	\$ 17,713,371	\$ 17,113,684	\$ 599,687
Debt service:				
Principal retirement	\$ 49,928	\$ 49,928	\$ 49,928	\$ -
Interest and other fiscal charges	75,798	75,798	75,798	-
Total debt service	\$ 125,726	\$ 125,726	\$ 125,726	\$ -
Total School Operating Fund	\$ 17,633,862	\$ 17,839,097	\$ 17,239,410	\$ 599,687

County of Sussex, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2013

**Schedule 2**  
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<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
Special Revenue Fund:				
School Special Revenue Fund:				
Education:				
Textbooks	\$ 86,915	\$ 86,915	\$ 75,895	\$ 11,020
Commodities	-	45,051	45,051	-
School food services	997,064	997,064	964,421	32,643
	<hr/>			
Total School Special Revenue Fund	\$ 1,083,979	\$ 1,129,030	\$ 1,085,367	\$ 43,663
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Total Discretely Presented Component Unit - School Board	\$ 18,717,841	\$ 18,968,127	\$ 18,324,777	\$ 643,350
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## *STATISTICAL INFORMATION*

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Table 1

County of Sussex, Virginia  
Government-Wide Expenses by Function  
Last Ten Fiscal Years

Fiscal Year	General Government				Parks, Recreation, and Cultural				Interest on Long-Term Debt		Total
	Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Community Development	Term Debt			
2004	\$ 1,361,340	\$ 507,145	\$ 3,664,144	\$ 1,820,962	\$ 2,204,236	\$ 5,649,819	\$ 144,742	\$ 950,838	\$ 392,059	\$ 16,695,285	
2005	1,300,605	610,181	3,886,571	1,043,513	2,683,746	12,525,299	150,219	622,203	560,986	23,383,323	
2006	1,418,612	914,681	4,357,806	931,467	3,052,246	14,602,012	147,446	908,138	1,167,092	27,499,500	
2007	1,714,597	959,376	4,961,173	818,400	3,010,045	8,894,187	202,177	1,319,723	398,784	22,278,462	
2008	1,710,415	1,099,108	5,092,001	850,360	3,157,925	3,002,544	273,141	1,270,552	529,121	16,985,167	
2009	1,750,158	1,173,501	5,558,789	744,007	3,502,184	9,330,399	211,185	662,735	592,492	23,525,450	
2010	1,790,384	1,117,542	5,032,632	802,875	3,296,600	8,154,852	210,076	397,609	481,963	21,284,533	
2011	1,625,465	1,091,275	5,076,704	718,552	3,164,197	9,530,650	196,825	734,337	591,427	22,729,432	
2012	1,723,664	1,125,133	5,211,151	745,138	2,973,785	7,668,587	200,550	1,400,525	440,982	21,489,515	
2013	1,520,058	1,317,423	5,211,763	767,515	3,006,195	14,827,622	197,755	1,297,885	601,442	28,747,658	

Table 2

County of Sussex, Virginia  
Government-Wide Revenues  
Last Ten Fiscal Years

Fiscal Year	PROGRAM REVENUES				GENERAL REVENUES						
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions		
									Not Restricted to Specific Programs	Total	
2004	\$ 8,710,395	\$ 4,113,501	\$ -	\$ -	\$ 6,051,751	\$ 966,414	\$ 121,456	\$ 43,979	\$ 1,241,805	\$ 21,249,301	
2005	9,707,376	4,452,212	-	-	5,644,934	1,039,419	269,551	68,853	1,264,333	22,446,678	
2006	10,155,481	4,330,399	438,841		6,107,518	1,044,356	592,247	114,820	1,654,751	24,438,413	
2007	10,439,597	4,491,605	307,875		7,139,978	1,144,545	670,959	110,145	1,491,852	25,796,556	
2008	9,862,743	4,608,191	702,126		7,013,522	1,153,991	756,429	182,266	1,541,056	25,820,324	
2009	7,811,169	4,826,716	295,634		7,763,119	1,103,140	646,208	156,820	1,684,464	24,287,270	
2010	7,079,380	4,581,112	3,000		7,641,415	962,731	525,710	170,722	1,780,590	22,744,660	
2011	8,012,050	4,544,066	5,896		7,321,690	981,129	342,043	113,224	2,064,221	23,384,319	
2012	6,969,432	4,459,264	755,500		7,370,633	1,071,020	233,729	114,766	1,476,144	22,450,488	
2013	6,764,345	4,553,833	4,537,507		8,574,854	1,074,162	162,130	104,229	1,394,567	27,165,627	

Table 3

County of Sussex, Virginia  
General Governmental Expenditures by Function (1,3)  
Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Debt Service	Total
2004	\$ 1,315,792	\$ 430,845	\$ 3,458,793	\$ 728,143	\$ 2,168,683	\$ 14,566,835	\$ 132,779	\$ 959,892	\$ 1,531,898	\$ 25,293,660
2005	1,629,338	523,523	4,024,068	707,736	2,656,511	17,351,573	146,824	654,135	1,471,231	29,164,939
2006	1,495,299	791,107	4,204,936	979,719	3,035,962	17,944,854	144,824	946,128	6,057,294	35,600,123
2007	1,520,901	830,161	4,991,684	913,695	3,028,519	19,622,909	166,566	943,953	3,353,526	35,371,914
2008	1,691,150	945,586	5,281,250	945,854	3,115,853	19,859,874	267,376	964,018	1,296,331	34,367,292
2009	1,698,539	1,082,816	5,452,393	858,840	3,470,196	19,799,492	205,488	722,862	1,820,159	35,110,785
2010	1,688,106	1,028,983	5,153,230	759,403	3,264,016	18,597,272	204,378	731,514	1,781,565	33,208,467
2011	1,659,008	998,081	5,065,100	828,833	3,127,541	18,587,853	191,127	760,375	1,742,510	32,960,428
2012	1,652,293	1,032,403	5,087,886	858,074	2,937,477	18,311,915	194,852	766,673	1,714,529	32,556,102
2013	1,460,320	1,050,051	4,878,914	847,909	2,975,556	18,204,951	192,057	817,889	1,902,911	32,330,558

(1) Includes General and Special Revenue funds of the Primary Government and its Discretely Presented Component Unit School Board

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

(3) Excludes Capital Projects funds, with the exception of debt service.

Table 4

County of Sussex, Virginia  
General Governmental Revenues by Source (1, 3)  
Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (2)	Total
2004	\$ 5,951,838	\$ 966,414	\$ 53,016	\$ 411,681	\$ 86,507	\$ 8,515,924	\$ 221,001	\$ 252,281	\$ 13,130,620	\$ 29,589,282
2005	5,678,595	1,039,419	79,932	563,774	155,555	9,370,612	292,425	316,344	14,901,450	32,398,106
2006	6,152,665	1,044,356	102,960	780,269	429,023	9,560,050	227,692	226,664	16,577,463	35,101,142
2007	7,050,851	1,144,545	119,255	760,953	490,996	9,868,990	475,353	377,086	18,689,800	38,977,829
2008	6,827,701	1,153,991	111,802	523,070	366,819	9,552,804	529,087	388,243	17,444,276	36,897,793
2009	7,720,656	1,103,140	80,226	440,304	363,764	7,581,842	394,319	505,592	17,876,069	36,065,912
2010	7,534,857	962,731	96,985	467,053	367,802	6,803,999	325,731	435,143	17,564,069	34,558,370
2011	7,321,027	981,129	79,127	976,889	169,375	7,236,490	214,365	420,352	16,452,862	33,851,616
2012	7,685,234	1,071,020	129,359	695,809	160,564	6,423,415	312,664	286,039	16,940,871	33,704,975
2013	8,428,982	1,074,162	77,524	643,294	113,758	6,320,215	251,789	257,135	16,479,857	33,646,716

(1) Includes General and Special Revenue funds of the Primary Government and its Discretely Presented Component Unit School Board

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

(3) Excludes Capital Projects funds.

Table 5

County of Sussex, Virginia  
Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1,2)	Percent of Delinquent Taxes to Tax Levy
2004	\$ 6,946,501	\$ 6,758,978	97.30%	\$ 164,648	\$ 6,923,626	99.67%	\$ 302,519	4.35%
2005	6,691,942	6,497,137	97.09%	95,627	6,592,764	98.52%	372,696	5.57%
2006	7,090,204	7,031,524	99.17%	131,955	7,163,479	101.03%	250,359	3.53%
2007	7,926,042	7,827,628	98.76%	100,868	7,928,496	100.03%	229,132	2.89%
2008	7,731,894	7,854,032	101.58%	(150,054)	7,703,978	99.64%	270,581	3.50%
2009	8,793,146	8,579,157	97.57%	108,021	8,687,178	98.79%	292,461	3.33%
2010	8,546,817	8,299,271	97.10%	143,369	8,442,640	98.78%	345,257	4.04%
2011	8,667,073	8,268,631	95.40%	206,044	8,474,675	97.78%	545,014	6.29%
2012	8,536,012	8,481,243	99.36%	233,737	8,714,980	102.10%	318,841	3.74%
2013	9,458,698	9,210,290	97.37%	115,340	9,325,630	98.59%	376,015	3.98%

(1) Exclusive of penalties and interest.

(2) Includes three most current delinquent tax years.

Table 6

County of Sussex, Virginia  
Assessed Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property and Mobile Homes	Machinery and Tools	Merchants Capital	Public Service(2)			Total
					Real Estate	Personal Property	Property	
2004	\$ 446,908,159	\$ 65,233,775	\$ 20,444,585	\$ 5,740,623	\$ 57,060,238	\$ 675,019	\$	596,062,399
2005	449,569,149	61,376,208	19,619,610	6,684,265	53,738,590	591,390		591,579,212
2006	452,285,903	70,462,922	18,971,705	6,691,430	45,099,041	430,978		593,941,979
2007	759,517,159	64,742,170	21,332,385	7,087,015	70,531,378	754,449		923,964,556
2008	763,631,538	65,400,176	20,814,145	8,062,905	64,204,050	1,005,946		923,118,760
2009	783,848,824	70,531,248	21,577,440	8,979,150	51,887,667	674,605		937,498,934
2010	794,375,037	66,931,158	36,921,353	9,922,430	53,795,463	701,673		962,647,114
2011	790,662,282	68,294,266	39,352,829	7,691,275	51,832,467	664,445		958,497,564
2012	779,605,930	68,133,788	35,320,163	9,041,663	63,107,718	727,459		955,936,721
2013	875,389,910	62,540,742	47,377,210	13,728,234	99,366,077	730,786		1,099,132,959

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

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

Table 7

County of Sussex, Virginia  
Property Tax Rates (1)  
Last Ten Fiscal Years

Fiscal Year	Real Estate	Mobile Homes	Personal Property	Machinery and Tools	Merchants Capital
2004	\$ 0.65	\$ 0.65	\$ 4.85	\$ 4.85	\$ 1.00
2005	0.65	0.65	4.85	4.85	1.00
2006	0.65	0.65	4.85	4.85	1.00
2007	0.48	0.48	4.85	4.85	1.00
2008	0.48	0.48	4.85	4.85	1.00
2009	0.54	0.54	4.85	4.85	1.00
2010 (2)	0.54	0.54	4.85	2.43	1.00
2011	0.54	0.54	4.85	2.43	1.00
2012	0.54	0.54	4.85	2.43	1.00
2013	0.54	0.54	4.85	2.43	1.00

(1) Per \$100 of assessed value.

(2) In FY 2010 machinery and tools is began being calculated at a higher assessed value at half the rate.

Table 8

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

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Less:		Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
				Debt Service Monies Available	Debt Assumed by Other Localities			
2004	12,504	\$ 596,062,399	\$ 13,048,861	- \$	- \$	\$ 13,048,861	2.19%	\$ 1,044
2005	12,504	591,579,212	12,673,661	-	-	12,673,661	2.14%	1,014
2006	12,504	593,941,979	12,405,403	-	-	12,405,403	2.09%	992
2007	12,504	923,964,556	11,674,133	-	-	11,674,133	1.26%	934
2008	12,504	923,118,760	21,236,821	229,675	-	21,007,146	2.28%	1,680
2009	12,504	937,498,934	20,155,424	404,794	-	19,750,630	2.11%	1,580
2010	12,087	962,647,114	19,074,027	584,066	-	18,489,961	1.92%	1,530
2011	12,087	958,497,564	17,992,630	767,672	-	17,224,958	1.80%	1,425
2012	12,087	955,936,721	22,162,207	955,718	-	21,206,489	2.22%	1,754
2013	12,087	1,099,132,959	21,046,261	1,150,608	-	19,895,653	1.81%	1,646

(1) Weldon Cooper Center for Public Service for 2000 and 2010 Census counts.

(2) From Table 6.

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

Excludes revenue bonds, landfill postclosure costs, capital leases, and compensated absences.



*COMPLIANCE*

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# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of County of Sussex Virginia, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County of Sussex, Virginia's basic financial statements, and have issued our report thereon dated January 30, 2014.

### Internal Control Over Financial Reporting

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

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

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

## Compliance and Other Matters

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

## Purpose of this Report

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

A handwritten signature in black ink, appearing to read "D. F. Clark", followed by a long horizontal line.

Richmond, Virginia  
January 30, 2014

# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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

### Report on Compliance for Each Major Federal Program

We have audited County of Sussex, 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 Sussex, Virginia's major federal programs for the year ended June 30, 2013. County of Sussex, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

#### *Management's Responsibility*

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

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on compliance for each of County of Sussex, Virginia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about County of Sussex, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of County of Sussex, Virginia's compliance.

#### *Opinion on Each Major Federal Program*

In our opinion, County of Sussex, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

## Report on Internal Control Over Compliance

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

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

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

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

A handwritten signature in black ink, appearing to read "D. F. Cox", followed by a horizontal line.

Richmond, Virginia  
January 30, 2014

County of Sussex, Virginia  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2013

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass Through Payments:			
Department of Social Services:			
Promoting Safe and Stable Families	93.556	0950112/0950113	\$ 93
Temporary Assistance for Needy Families	93.558	0400112/0400113	210,015
Refugee and Entrant Assistance - State Administered Programs	93.566	0500112/0500113	828
Low Income Home Energy Assistance	93.568	0600412/00600413	16,169
Child Care Mandatory and Matching Funds of the Child Care Development Fund	93.596	0760112/0760113	33,157
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900112/090113	1,122
Foster Care - Title IV-E	93.658	1100112/1100113	115,959
Adoption Assistance	93.659	1120112/1120113	30,365
Social Services Block Grant	93.667	1000112/1000113	147,381
Chafee Foster Care Independence Program	93.674	9150112/9150113	1,189
Children's Health Insurance Program	93.767	0540112/0540113	6,887
Medical Assistance Program	93.778	1200112/1200113	180,349
Total Department of Health and Human Services			<u>\$ 743,514</u>
Department of Agriculture:			
Pass Through Payments:			
Child Nutrition Cluster:			
Department of Agriculture:			
Food Distribution	10.559	17901	\$ 453
Department of Health:			
Summer Food Service Program for Children	10.559	17901	<u>24,285</u> \$ 24,738
Department of Agriculture:			
Food Distribution	10.555	17901-45707	\$ 44,598
Department of Education:			
National School Lunch Program	10.555	17901-40623	<u>377,357</u>
Total CFDA# 10.555			\$ 421,955
School Breakfast Program	10.553	17901-40591	214,626
Pass Through Payments:			
Department of Education:			
Fresh Fruit and Vegetable Program	10.582	17901-40599	13,604

County of Sussex, Virginia  
Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2013

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Agriculture: (Continued)			
Pass Through Payments: (Continued)			
Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010112/0010103	\$ 303,107
Total Department of Agriculture			\$ 978,030
Department of Justice:			
Pass Through Payments:			
Department of Criminal Justice Services:			
Edward Byrne Memorial Formula Grant Program	16.738	39001-61011	\$ 3,783
Total Department of Justice			\$ 3,783
Department of Housing and Urban Development:			
Pass Through Payments:			
Department of Housing and Community Development:			
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	53505- 50797	\$ 23,800
Total Department of Housing and Urban Development			\$ 23,800
Department of Education:			
Pass Through Payments:			
Department of Education:			
Title I Grants to Local Educational Agencies	84.010	17901-42901-42999	\$ 392,461
Special Education Cluster:			
Special Education - Grants to States	84.027	17901-43071-61234	414,354
Special Education - Preschool Grants	84.173	17901-62521	9,364
Career and Technical Education - Basic Grants to States	84.048	17901-61095	28,539
Education Technology State Grants	84.318	17901-61600	7,893
Rural Education	84.358	17901-43481	40,713
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	17117	5,550
Twenty-First Century Community Learning Centers	84.287	17901-60565	229,314
Improving Teacher Quality State Grants	84.367	17901-61480	97,896
ARRA - School Improvement Grants	84.388	17901-42990	820,796
ARRA - Education Jobs Fund	84.410	17901-62700	363,382
Total Department of Education			\$ 2,410,262
Department of Defense:			
Direct Payments:			
ROTC	12.xxx	N/A	\$ 57,631
Total Expenditures of Federal Awards			\$ 4,217,020

See accompanying notes to schedule of expenditures of federal awards.



County of Sussex, Virginia  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2013

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Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the County of Sussex, Virginia under programs of the federal government for the year ended June 30, 2013. The information in this Schedule is presented in accordance with the requirements of the OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the County of Sussex, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Sussex, 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 - Food Donation

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

Note 4 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$ 1,074,204
Total primary government	\$ <u>1,074,204</u>

Component Unit School Board:

School Operating Fund	\$ 2,467,893
School Special Revenue Fund	674,923
Total component unit School Board	\$ <u>3,142,816</u>
Total federal expenditures per basic financial statements	\$ <u>4,217,020</u>

Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ <u><u>4,217,020</u></u>
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**County of Sussex, Virginia**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2013**

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**Section I—Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ yes ✓ no

Significant deficiency(ies) identified? \_\_\_\_\_ yes ✓ none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes ✓ no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ yes ✓ no

Significant deficiency(ies) identified? \_\_\_\_\_ yes ✓ none reported

Type of auditors' report issued on compliance  
for major programs: unmodified

Any findings disclosed that are required to be  
reported in accordance with section 510(a) of  
Circular A-133? \_\_\_\_\_ yes ✓ no

Identification of major programs:

CFDA Number(s)

10.561

84.388

84.410

Name of Federal Program or Cluster

State Administrative Matching Grants for the Supplemental  
Nutrition Assistance Program

ARRA - School Improvement Grants

ARRA - Education Jobs Fund

Dollar threshold used to distinguish between type A  
and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

✓ yes \_\_\_\_\_ no

**Section II—Financial Statement Findings**

None

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

None

County of Sussex, Virginia

Schedule of Prior Year Findings  
For the Year Ended June 30, 2013

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There were no prior year findings.

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