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ISLE OF WIGHT COUNTY, VIRGINIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Prepared by
Department of Budget & Finance

Isle of Wight, Virginia
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Local Roots, Global Reach

ISLE OF WIGHT COUNTY, VIRGINIA



November 20, 2014

Members of the Board of Supervisors and Citizens of the County of Isle of Wight, Virginia:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the County of Isle of Wight, Virginia for the fiscal year ended June 30, 2014. This report is intended to provide informative and relevant financial data for the residents of the County, Board of Supervisors, investors, creditors and any other interested readers.

Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the County. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with U. S. generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. Further, as management we assert that all disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included in this financial report.

Cherry Bekaert LLP, a certified public accounting firm, audited the County's basic financial statements. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the County for the fiscal year ended June 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's basic financial statements for the fiscal year ended June 30, 2014, are fairly presented in conformity with GAAP with noted emphasis in the independent auditors report as presented in the first component of the financial section of this report. The independent audit of the financial statements of the County is part of a broader, federal and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements, with additional emphasis on the administration of federal and state awards. This "Single Audit" information will be available in a separately issued report and will be available upon request from the Department of Budget & Finance.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Isle of Wight County was formerly established in 1634, although prior to 1637, the County was known as Warrosquoyacke. It is one of the oldest county governments in the United States of America and one of the original eight (8) shires by an order of King Charles I. Nestled on the shores of the James River in southeastern Virginia, Isle of Wight's residents enjoy its rural nature spread over 320 square miles coupled with the quaint atmosphere of two (2) incorporated Towns – Smithfield and Windsor.

Isle of Wight County has a rich history that pre-dates its formal establishment in 1634. The County provided fertile farmland and hunting opportunities for its Native American inhabitants prior to the first English settlement in 1619. It still provides an excellent quality of life for over 35,000 residents while balancing its rural history with a future focused on quality commercial and residential growth.

The County provides a wide array of services to citizens. Major programs include Public Safety, Health and Welfare, Parks and Recreation, and Community Development. The financial reporting for the County covers all of these major areas, as well as the County Public Schools.

The **Public Safety** programs of the County feature five fire stations and two rescue squads staffed by well-trained volunteers and a growing number of the professional firefighters and EMS personnel with state of the art equipment and well-maintained facilities. Two of the five fire stations now provide first response services for both fire and EMS calls.

The **Health and Welfare** services program for the County was vastly improved by acquiring a facility formerly utilized as a family medical practice to serve as the new location for the Isle of Wight County Health Department. The property was offered to the County at half of its appraised value. After renovations are completed, it will serve the community well by allowing the Health Department to significantly expand its services in the future.

Parks and Recreation programs are essential to the quality of life of County residents. The Isle of Wight County Fair has become one of the community's signature events. Held at Heritage Park, it provides great family entertainment and highlights the County's rural roots, attracting over 33,000 visitors annually from all over the Commonwealth of Virginia.

The County is also home to Windsor Castle Park located in the heart of downtown Smithfield. It is a 209.8 acre riverside park that features a woodland trail system, picnic and play areas, a dog park, kayak and canoe launch, scenic overlook and the Windsor Castle Historic Site. Windsor Castle Farm was originally part of a 1,450 acre parcel patented in 1637 by Arthur Smith and is situated on a knoll overlooking the Pagan River. The site preserves the rich historic heritage of the Castle, as well as providing a passive public park on the estate grounds.

Community Development continues to be an extremely important focus of the Board of Supervisors in that it provides an opportunity for the County to preserve its natural beauty while simultaneously promoting smart growth. The County's Comprehensive Land Use Plan is designed to encourage manageable residential and commercial growth in specific areas of the County while preserving farm land and forestry in an effort to maintain the County's rural character and natural beauty.

As part of its community-wide vision, the County has designated three strategic growth areas called Development Service Districts, or DSDs. The three DSDs are located around and close to the existing population centers of Carrollton, Windsor, and Camptown. The benefits of these strategic growth areas include:

- Existing and planned public water and sewer facilities.
- Ready access to the region's transportation network, including Route 17, Route 258, Route 460, and Route 58 as well as two rail lines, which provide direct connections to the Virginia Ports.
- Proximity to the nearby population centers of Smithfield, Windsor, Franklin, Newport News, and Hampton as well as the rest of the Hampton Roads region.
- Planned, future growth opportunities including a mix of residential, commercial and industrial land uses.

The County's **Public Schools** are operated by a legally distinct governing body, the County provides a significant portion of the funding for a public school system recognize for excellence.

Isle of Wight County Schools implement research-based instructional strategies to provide rigorous and engaging learning experiences that ensure student success. The division educates more than 5,500 students in grades PreK-12 at nine schools: five elementary schools, two middle schools, and two high schools.

All nine schools earned full accreditation from the Virginia Department of Education. Isle of Wight County Schools met or exceeded the state pass rates in all core subjects. Division-wide, students increased overall pass rates in Science in every student subgroup. Isle of Wight County Schools earned an on-time graduation rate of nearly 93 percent (92.6%) for the Class of 2014, according to data released by the Virginia Department of Education. This places Isle of Wight County School in the top twenty school divisions in Virginia relative to on-time graduation rate.

The Isle of Wight County Schools continue to rise to the challenge of meeting increases in state and federal benchmarks, many of which are unfunded mandates. The division's success is attributed to the dedicated administrators, teachers, and staff. The division benefits from strong relationships between the community and the schools.

Economic Overview

Isle of Wight County is a community of choice for homeowners and businesses alike because of its rural aesthetics and affordable tax rates. Maintaining and improving the quality of life for residential and commercial residents requires a commitment to the long-term strategies for economic development.

Those strategies include significant investment in the infrastructure to serve the County's Shirley T. Holland Intermodal Industrial Park located just east of the Town of Windsor. The Industrial Park is currently home to warehouse distribution facilities for Cost Plus World Market and Safco Products, Inc., a production and distribution facility for Green Mountain Coffee Roasters, Inc. (GMCR), a leader in specialty coffee and coffeemakers, and is poised to attract significant new investments in distribution and manufacturing facilities that will create new jobs and further diversify the County's tax base.

GMCR has purchased a 330,000 square-foot spec building on a 64-acre parcel of land in Phase II of Shirley T. Holland Intermodal Park, where it houses coffee roasting, grinding, flavoring, and packaging operations for its single-serve portion packs for its Keurig® Single-Cup Brewing System. It is estimated the new facility will have as many as 800 employees (currently at over 500 employees).

Phase III of the Shirley T. Holland Intermodal Park was rezoned by the Board of Supervisors in an effort to set the stage for future industrial and commercial development to occur in the central portion of the County.

In September 2013, Smithfield Foods merged with Shuanghui International Holdings Limited. It continues to be a \$12 billion global food company and the world's largest pork processor and hog producer. In the United States, the company is also the leader in numerous packaged meats categories with popular brands including Smithfield®, Eckrich®, Armour®, Farmland®, Gwaltney®, Kretschmar®, Curly's®, Carando®, Margherita®, Healthy Ones®, and John Morrell®. In June 2012, Smithfield Foods opened its flagship restaurant/retail store aptly named Taste of Smithfield in Smithfield to highlight its food products.

International Paper had been a mainstay in the County until its 2009 announcement to close its local plant; however, in 2010, the company announced its plan to reopen a portion of its operation to manufacture fluff paper. International Paper has also been in negotiations with other companies that have announced that they will utilize a portion of the former facility to start new operations.

Franklin Lumber, LLC restarted operations near the end of 2013. A new company started by former employees of the International Paper mill, Franklin Lumber has created 72 jobs with the reopening of the facility, with the potential to create additional jobs as market conditions allow. The new owners plan to make \$14.8 million in new capital investments to the facility over the next five years to increase the capacity and competitiveness of the mill.

Franklin Lumber plans to produce 60 million board feet of southern yellow pine lumber annually. Its products will consist of dimensional lumber for retail, treating and truss manufacturers. The company will also have a strong market for its residual products, including International Paper, which will purchase wood chips for its recently re-opened fluff mill. More than 40% of Franklin Lumber's annual purchases of logs, estimated at almost 300,000 tons, will be sourced from Virginia. Total wood receipts paid to area loggers and landowners likely will exceed \$10 million on an annual basis.

Logan Fire Apparatus signed a lease for a portion of the former Franklin Equipment property, which is located in close proximity to the International Paper property. Ezzell Trucking also began operations out of another portion of the Franklin Equipment site.

In May 2014, Montague Farms, Inc. announced an expansion of the company's facility in Isle of Wight County that includes three new jobs and the exporting of soybeans into the highly regulated, but lucrative market of South Korea.

Tourism continues to be a strong component of economic development within the County. The community's assets are promoted locally, regionally, and nationally for its "Hams, History, Hospitality, and Heart". The Smithfield Farmers' Market was recently named one of the top 101 farmers' markets in America and the only farmers' market in Virginia to be recognized in the listing.

Financial Guidelines

The County prepares annually an Operating Budget that balances revenues and expenditures within available resources. The Operating Budget guidelines for the FY2013-14 were as follows:

- Budget requests were to reflect a flat budget.
- No salary adjustments for FY2013-14.
- Operationally critical needs that required additional funding required departments to provide the appropriate documentation to explain/support the request.

The County also prepares a Capital Improvement Plan (CIP) annually. The CIP serves as a planning tool for the efficient, effective and equitable distribution of public improvements throughout the County. The plan represents a balance between finite resources and an increasing number of competing priorities. The County develops a five year CIP each year inclusive of the capital needs of the Public Schools. The Board of Supervisors approves the first year of the plan as the Capital Budget after legal advertising and public hearing requirements have been met. The CIP also anticipates significant projects that are envisioned beyond the initial five year period and identifies projects up to ten years out to allow for appropriate long-term planning and financial projections.

The CIP represents a fiscally responsible approach in its level of reliance on long-term financing for general County improvement projects. The CIP will utilize debt financing as a funding source only after it has been determined that the County can afford to service this debt and the associated operating expenses in subsequent years.

The **Debt Guidelines** adopted to meet the fiscal challenges of financing capital projects identified in the Capital Budget are as follows:

- The County's tax-supported debt service will not exceed 10 percent of general governmental revenues. Tax-supported debt service shall include any debt service on general obligation bonds which are not self-supporting from a user fee revenue stream (i.e. water and sewer fee). A self-supporting revenue stream is defined as a revenue stream that provides coverage of all debt service obligations without general fund support. Any long term financing lease obligations which may be subject to annual appropriation by the County will also be included in calculations of tax-supported debt service.
- The County's tax-supported debt will not exceed 4 percent of the assessed value of taxable real and personal property in the County.

Major Initiatives and Accomplishments

In June 2014, the County received excellent news from all three of the international credit rating agencies. Fitch Ratings, Moody's Investors Service, and Standard & Poor's **affirmed** the County's excellent credit ratings of AA, Aa2, and AA respectively with a stable outlook.

It should be noted that each of the rating agencies pointed to the County's strong financial management as one of the reasons they have issued positive ratings. They will continue to monitor the County's progress to ensure it is following the three-year financial plan discussed with the agencies.

Awards

In recognition of its Comprehensive Annual Financial Report (CAFR) for the year ending June 30, 2013, a Certificate of Achievement for Excellence in Financial Reporting was awarded to Isle of Wight County by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and reporting, and its attainment represents a significant accomplishment by a government and its management.

An Award of Financial Reporting Achievement was also awarded to the Isle of Wight County Department of Budget & Finance for its role in preparing the award-winning CAFR.

Acknowledgement

We would like to express our appreciation to the County staff who contributed to the timely preparation of this report. We would also like to thank the members of the Board of Supervisors for your interest and support in planning and conducting the financial operations of the County in a responsible and professional manner.

Respectfully submitted,



Anne F. Seward
County Administrator



Michael W. Terry
Director of Budget & Finance

Isle of Wight County, Virginia
Officials
June 30, 2014

Primary Government Officials

BOARD OF SUPERVISORS

Byron B. "Buz" Bailey, Chairman.....Newport District
Rex W. Alphin, Vice-Chairman.....Carrsville District
Al Casteen.....Smithfield District
Deloris C. "DeeDee" Darden.....Windsor District
Rudolph Jefferson.....Hardy District

CONSTITUTIONAL OFFICERS

L. Wayne Farmer.....Commonwealth's Attorney
Gerald H. Gwaltney.....Commissioner of the Revenue
Sharon N. Jones.....Clerk of Circuit Court
Mark M. Marshall.....Sheriff
Judith C. Wells.....Treasurer

ADMINISTRATIVE OFFICERS

Anne F. Seward.....County Administrator
Michael W. Terry.....Director, Budget & Finance
Mark C. Popovich.....County Attorney

School Board Officials

SCHOOL BOARD

Julia Perkins, Chairman.....Windsor District
Kent Hildebrand, Vice-Chairman.....Newport District
Robert Eley.....Carrsville District
Tina Hill.....Hardy District
Denise Tynes.....Smithfield District

ADMINISTRATIVE OFFICERS

A. Katrise Perera.....Superintendent
Christina Berta.....Executive Director of Budget & Finance
A. Paul Burton.....School Attorney



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**County of Isle of Wight
Virginia**

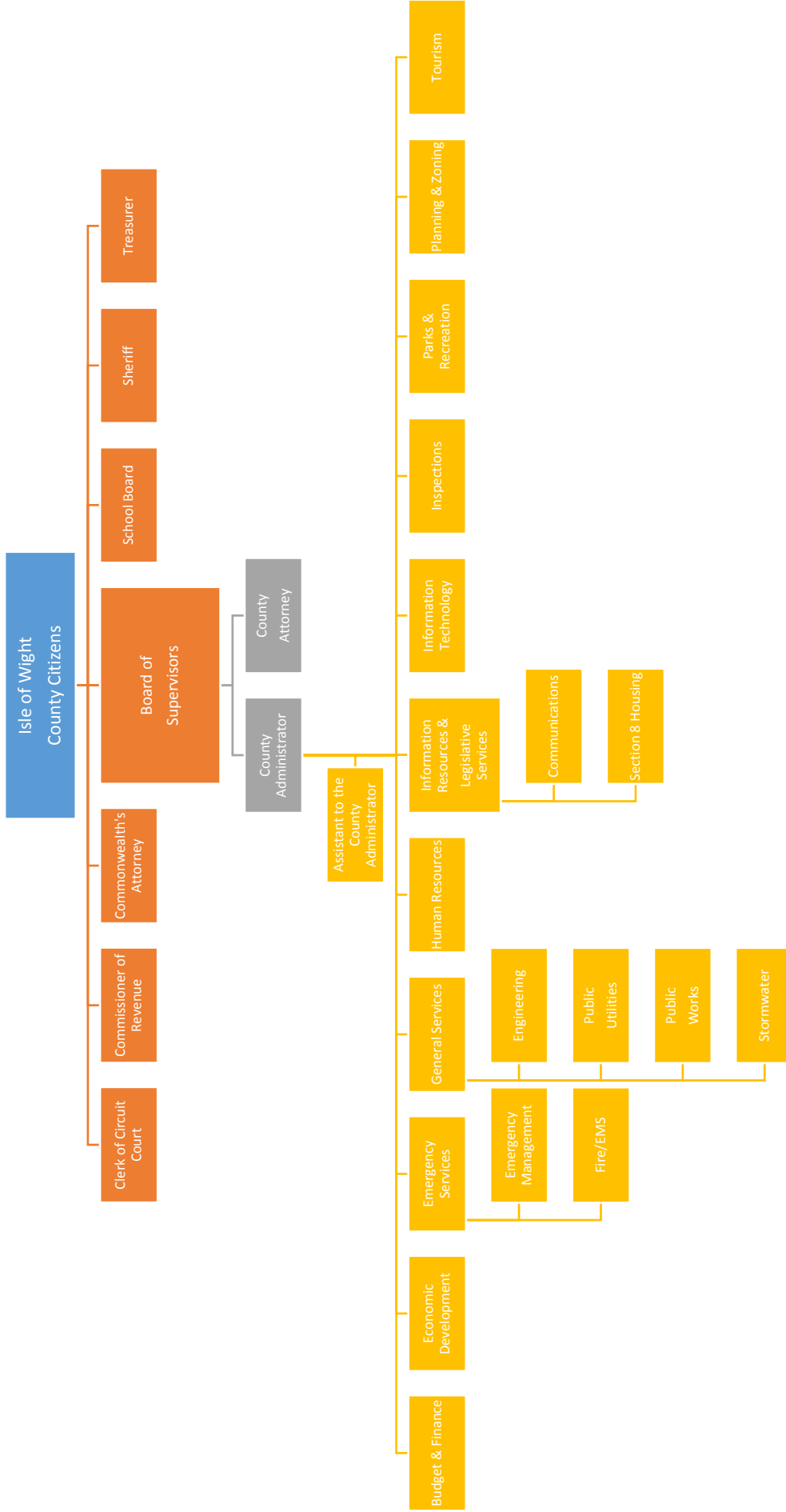
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

ORGANIZATION CHART

FY2013-14





Local Roots, Global Reach

ISLE OF WIGHT COUNTY, VIRGINIA

Report of Independent Auditor

The Honorable Members of the Board of Supervisors
County of Isle of Wight, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Isle of Wight, Virginia, (the "County") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information in Exhibits B-1 and B-2, as listed in the table of contents, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Isle of Wight, Virginia's basic financial statements. The introductory section, other supplementary information in Exhibits B-3 through B-19, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information in Exhibits B-3 through B-19, as listed in the table of contents, are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information in Exhibits B-3 through B-19, as listed in the table of contents, are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section have 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2014, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Cheryl Bekart LLP

Virginia Beach, Virginia
November 20, 2014

County of Isle of Wight, Virginia
Management's Discussion & Analysis

This section of the County of Isle of Wight, Virginia's (County) annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2014. Please read it in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

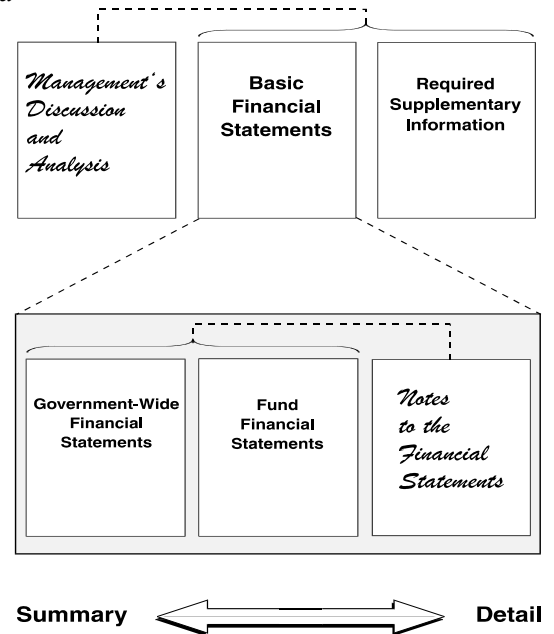
- The net position of the County's governmental activities was \$21.7 million at June 30, 2014, a 9% decrease from the previous fiscal year.
- In support of the County's primary governmental activities, revenues were generated in the amount of \$66.1 million, of which 77% consisted of local taxes, 14% from the Commonwealth of Virginia, 3% from Federal and other sources and 6% from charges for service. Of the total revenue, 9% is in operating grants. Expenses from County operations were \$65.3 million or a 6% decrease over the previous year.
- The County's General Fund reported expenditures in excess of revenues and other financing sources and uses in the amount of \$0.5 million, resulting in an unassigned fund balance of \$15 million. The expenditures in excess of revenues and other financing sources and uses is \$0.5 million more than the amounts budgeted for the year because the budgeted transfer from other fund in the amount of \$4.5 million did not occur in the year ended June 30, 2014 and the County's management of expenses and implementation cost containment measures throughout the fiscal year, which resulted in \$5.3 million saving in expenditures compared to the final budget.
- The County's tax rate on real estate increased to \$0.73 per \$100 of assessed value. This is currently the lowest tax rate in the Hampton Roads area.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - *Management's Discussion and Analysis* (this section), the *basic financial statements*, and *required and other supplementary information*. The basic financial statements include two statements presenting different views of the County:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the County's operations in more detail than the government-wide statements.
- *The governmental funds* statement tells how *general government* services were financed in the *short-term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*, such as public utilities.
- *Fiduciary fund* statements provide information about the financial relationships in which the County acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong, such as Special Welfare.

Figure A-1, Required Components of the County's Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required and other supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-2 summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

	Type of Statements			
	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire County's government (except fiduciary funds) and the County's component units	The activities of the County that are not proprietary or fiduciary	Activities the County operates similar to private businesses: public utilities.	Instances in which the County is the trustee or agent for someone else's resources: Special Welfare
Required financial statements	Statement of net position	Balance sheet	Statement of net position	Statement of fiduciary net position
	Statement of activities	Statement of revenues, expenditures & changes in fund balances	Statement of revenues, expenses and changes in fund net position	
			Statement of cash flows	
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the County's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Statements

The *government-wide financial statements* report information about the County using accounting methods similar to those used by private-sector companies. These statements provide both long-term and short-term information about the County's overall financial status. Government-wide financial reporting consists of two statements: the Statement of Net Position and the Statement of Activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to reporting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The two government-wide statements report the County's net position and how they have changed. Net position, the difference between the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources is one way to measure the County's financial health or position.

- Over time, increases or decreases in the County's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County, one needs to consider additional non-financial factors such as changes in the County's tax base.

The government-wide statements of the County include the following:

- **Governmental activities** - Most of the County's basic services are reported here including general government, judicial administration, public safety, general services, education, health and welfare, parks and recreation and economic and community development. Property taxes, other local taxes, and state and federal grants finance most of these activities.
- **Business-type activities** - The County's water, sewer and stormwater services are reported as business-type activities. These services are mostly supported by charges for services based on use.
- **Component Units** - The County includes two separate legal entities in its report - the Isle of Wight County School Board and the Industrial Development Authority of the County of Isle of Wight. While legally separate, the County is financially accountable and provides operating and capital funding to these component units.

Fund Financial Statements

The fund financial statements provide additional information about the County's most significant funds. These statements focus on the individual parts of the County government and groupings of related accounts that are used to maintain control over resources that have been segregated for specific purposes. Governments use fund accounting to ensure and demonstrate finance-related legal compliance. The fund financial statements are divided into three categories: governmental funds, proprietary funds and fiduciary funds. These financial statements are supplemented by accompanying Notes to the Financial Statements and Required Supplemental Information.

- **Governmental funds** - Most of the County's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's services. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page, which explains the relationship (or differences) between them.

- **Proprietary Funds** - Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. The County's enterprise fund (one type of proprietary fund) is used to report the same functions presented as business-type activities in the government-wide financial statements, but the fund financial statements provide more detail and additional information, such as cash flows. The County's public utilities enterprise fund accounts for the operation of its water and sewer systems while the new stormwater enterprise fund accounts for the operation of its stormwater system.
- **Fiduciary Funds** - The fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's services. The accounting used for fiduciary funds is similar to that of the proprietary funds. The County maintained Special Welfare and School Activity Agency Funds in fiscal year 2014.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Table A-1 summarizes the Statement of Net Position at June 30, 2014 and 2013.

Table A-1

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 39,944,895	\$ 51,646,846	\$ 11,172,841	\$ 19,479,611	\$ 51,117,736	\$ 71,126,457
Capital assets	107,100,500	93,701,937	14,941,087	15,396,002	122,041,587	109,097,939
Total assets	147,045,395	145,348,783	26,113,928	34,875,613	173,159,323	180,224,396
Deferred outflows of resources	755,175	819,766	897,413	995,140	1,652,588	1,814,906
Current liabilities	\$ 6,270,331	\$ 8,328,278	\$ 2,599,183	\$ 2,935,438	\$ 8,869,514	\$ 11,263,716
Long-term liabilities	118,863,815	113,221,590	36,321,384	43,848,021	155,185,199	157,069,611
Total liabilities	125,134,146	121,549,868	38,920,567	46,783,459	164,054,713	168,333,327
Deferred inflows of resources	1,006,400	913,121	-	-	1,006,400	913,121
Net Investment in capital assets	6,086,446	4,923,554	(12,140,987)	(8,834,474)	(6,054,541)	(3,910,920)
Restricted	13,734,652	24,568,034	-	-	13,734,652	24,568,034
Unrestricted	1,838,926	(5,786,028)	231,761	(2,078,232)	2,070,687	(7,864,260)
Total net position	\$ 21,660,024	\$ 23,705,560	\$ (11,909,226)	\$ (10,912,706)	\$ 9,750,798	\$ 12,792,854

As described earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the fiscal year, the County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$9.8 million, a 24% decrease from the previous year. Total assets decreased by \$7.1 million, a 4% decrease and total liabilities decreased by \$4.9 million, a 3% decrease when compared to June 30, 2013. The decrease to the County assets and liabilities is mainly due to debt service payments made during the year ended June 30, 2014.

The largest portion of the County net position at June 30, 2014 (\$13.7 million, or 141% of total net position) is restricted net position, specifically restricted for capital project in the amount of \$13.5 million. This is County resources restricted for capital projects purposes only. The decrease in the restricted net position in the amount of \$10.8 million or a decrease of 44% from June 30, 2013 is result of the capital projects undertaken during the year ended June 30, 2014. It corresponds with the increase in capital assets in the amount of \$12.9 million.

The increase in unrestricted net position in the amount of \$9.9 million, or a 126% increase is due to continued economic recovery and completion of capital projects using restricted resources.

The following summarizes the County's changes in net position for the years ended June 30, 2014 and 2013:

Table A-2

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues:						
Charges for services	\$ 2,322,200	\$ 2,501,653	\$ 5,206,661	\$ 3,080,643	\$ 7,528,861	\$ 5,582,296
Operating grants and contribution	5,718,851	9,526,260	-	-	5,718,851	9,526,260
Capital grants and contribution	905,676	150,000	481,900	467,939	1,387,576	617,939
General Revenue:						
Taxes	55,411,326	49,117,861	-	-	55,411,326	49,117,861
Investment income	324,636	909,387	16,438	47,754	341,074	957,141
Others	840,977	163,555	10,275	-	851,252	163,555
Total revenues	65,523,666	62,368,716	5,715,274	3,596,336	71,238,940	65,965,052
Expenses						
General government						
administration	\$ 5,859,778	6,446,046	-	-	5,859,778	6,446,046
Judicial administration	1,334,545	1,198,998	-	-	1,334,545	1,198,998
Public safety	10,856,876	10,360,047	-	-	10,856,876	10,360,047
General services	6,444,839	6,979,003	-	-	6,444,839	6,979,003
Health and welfare	4,267,056	4,361,198	-	-	4,267,056	4,361,198
Education	25,930,462	28,106,226	-	-	25,930,462	28,106,226
Parks, recreation and cultural	3,250,023	2,990,630	-	-	3,250,023	2,990,630
Community development	2,805,145	2,833,440	-	-	2,805,145	2,833,440
Nondepartmental	-	341,490	-	-	-	341,490
Interest on long-term debt	4,507,212	5,850,280	-	-	4,507,212	5,850,280
Public utility	-	-	8,677,215	8,214,531	8,677,215	8,214,531
Stormwater	-	-	347,845	-	347,845	-
Total expenses	65,255,936	69,467,358	9,025,060	8,214,531	74,280,996	77,681,889
Change in net position before transfers						
	267,730	(7,098,642)	(3,309,786)	(4,618,195)	(3,042,056)	(11,716,837)
Transfers	(2,313,266)	-	2,313,266	-	-	-
Change in net position	(2,045,536)	(7,098,642)	(996,520)	(4,618,195)	(3,042,056)	(11,716,837)
Net position - beginning of year						
	23,705,560	30,804,202	(10,912,706)	(6,294,511)	12,792,854	24,509,691
Net position - end of year	\$ 21,660,024	\$ 23,705,560	\$ (11,909,226)	\$ (10,912,706)	\$ 9,750,798	\$ 12,792,854

The County's total revenue was \$71.2 million in the year ended June 30, 2014, while the total cost of all programs and services was \$74.3 million.

Revenue increase by \$5.3 million, or 8% from the year ended June 30, 2013 due to an increase in charges for services and tax revenues. The increase in charges for services is largely due to growth in revenue from the new stormwater operation. Tax revenues also increased significantly from the year ended June 30, 2013 in the amount of \$6 million mainly from general property taxes.

Expense decreased \$3.4 million, or a decrease of 4% from the year ended June 30 2013. The decrease is primarily from decrease education functional expense by \$2.2 million due to decrease in payments made to the School Board for the school's operation and decrease in interest in long-term debt in the amount of \$1.3 million as result of decreased interest rates based on the terms of the bonds and the two bond refunding occurred in the year ended June 30, 2013.

Governmental Activities

- The County's total revenues for governmental activities were \$66.1 million, of which a significant portion, 85%, comes from local taxes.
- General Property taxes and other local taxes increased by \$7.3 million or 15% due to continued increase in real property value and increase in machinery and tools owned by the businesses in the County.
- Operating grants consist of state and federal revenues received to offset the cost of various programs. However, the reimbursements do not necessarily represent 100% of expenditures as illustrated in Table A-3a.
- Grants and contribution decreased 32% or \$3 million due to the completion of state funded road projects in the year ended June 30, 2013, and the one time revenue generated from the development of Eagle Harbor apartment.

Table A-3a presents the cost of each of the County's functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what local tax dollars, as well as state and federal revenues funded.

Table A-3a

	Total Cost of Services			Net Cost of Services		
	2014	2013	% Change	2014	2013	% Change
Governmental Activities:						
General government						
administration	\$ 5,859,778	\$ 6,446,046	-9%	\$ 5,218,279	\$ 5,863,310	-11%
Judicial administration	1,334,545	1,198,998	11%	734,861	626,653	17%
Public safety	10,856,876	10,360,047	5%	7,594,179	7,476,375	2%
General services	6,444,839	6,979,003	-8%	6,010,802	3,952,687	52%
Health and welfare	4,267,056	4,361,198	-2%	1,872,201	921,125	103%
Education	25,930,462	28,106,226	-8%	25,617,262	29,976,658	-15%
Parks, recreation and cultural	3,250,023	2,990,630	9%	2,358,538	2,279,607	3%
Community development	2,805,145	3,174,930	-12%	2,395,875	2,470,309	-3%
Interest on long-term debt	4,507,212	5,850,280	-23%	4,507,212	3,722,721	21%
Total expenses	\$ 65,255,936	\$ 69,467,358	-6%	\$ 56,309,209	\$ 57,289,445	-2%

- The cost of all *governmental* activities this year was \$65.3 million, a 6% decrease from the previous year. The decrease in 2014 was primarily driven by the phase out of County's payment of economic incentives to attract new business and decreases in education costs.
- Education continues to be one of the County's highest priorities and commitments representing 40% of total costs and 45% of total net costs.
- The interest on long-term debt decreased \$1.3 million (23%) from the year ended June 30, 2013 as discussed previously.

Business-type Activities

Table A-3b

	Total Cost of Services			Net Cost of Services		
	2014	2013	% Change	2014	2013	% Change
Business-type Activities:						
Public Utilities	\$8,677,215	\$8,214,531	6%	\$4,621,040	\$4,665,949	-1%
Stormwater	347,845	-	100%	(1,284,541)	-	100%
Total expense	\$9,025,060	\$8,214,531	10%	\$3,336,499	\$4,665,949	-28%

Revenues of the County's business-type activities for the operation of water and sewer systems increased by \$0.5 million or 14% while the expenses increased by \$0.5 million or 6% from the year ended June 30, 2013. Increase in water and sewer revenue resulted from increase in demand for water from the customers. A significant portion of the operating expenses, 61%, were attributable to the purchase of an annual fixed rate charge for water availability from a neighboring local government and capital contributions to the Western Tidewater Authority.

In September 2009, the City of Suffolk and the County entered into revised agreement with Western Tidewater Water Authority (WTWA) which supersedes the 2006 agreement. The 2009 Regional Water Agreement provides for the construction of the Authority's Western Branch pipeline to convey raw water purchased under the Norfolk agreement as well as "Phase 3" expansion and subsequent "Phase 4" expansion of the Water Plant.

The County made \$2.3 million transfers from its General Fund to support the operations of the Public Utilities fund which has been the practice in prior fiscal years. However, the operation of the water and sewer systems are expected to continue to grow and it is the intent of the County to establish a repayment schedule to the Governmental Funds for previous operating transfers.

During the year ended June 30, 2014, the County established the Stormwater Enterprise Fund to account for the operation of the stormwater services. Since this fund was newly established, both revenues and expenses increased from \$0 to \$1.6 million and \$0.3 million, respectively.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to maintain control over resources that have been segregated for specific purposes and to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds – The primary purpose of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. This information assists in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$34 million, of which \$15 million or 44% is unassigned.

- **General Fund.** The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the unassigned fund balance was \$15 million. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total current expenditures. At June 30, 2014, the unassigned fund balance represented approximately 26% of the total General Fund expenditures.
- **Capital projects fund.** The capital projects fund accounts for all construction projects of general public improvements, excluding capital projects related to business-type activities, which are accounted for in their respective fund. At the end of the current fiscal year, the fund balance was \$17.5 million, a decrease of \$11.9 million or 40%. The decrease represents current year capital expenditures in the amount of \$18.4 million net of the transfer of general obligation bonds from the Public Utility Fund to the Capital Projects Fund in the amount of \$6 million.
- **Proprietary fund.** The County's proprietary funds consist of the County's water and sewer operations and stormwater operation. More detail information can be found in the government-wide financial statements. The net position of the proprietary Public Utility Fund at the end of the current fiscal year was a deficit of \$(13.2) million, of which deficit of \$(12.1) million is representative of net investment in capital assets and deficit of \$(1.1) million is unrestricted at June 30, 2014. The decrease in net investment in capital assets in the amount of \$2.9 million or 32% is a combination of draw down of bond proceeds and construction of capital projects in the amount of \$2 million and net amount transferred associated to general obligation bonds in the amount of \$0.9 million. The net position of the proprietary Stormwater Fund at the end of the current fiscal year was \$1.3 million in unrestricted net position. At June 30, 2014, the Stormwater Fund had no capital assets.
- **Non-Major Governmental Funds.** The County accounts for other programs and services in different funds. These funds include the Department of Social Services, Comprehensive Services, E-911 Funds, Community Development Block Grant Funds, Section 8, Asset Forfeiture, the County Fair and the Museum Fund. At June 30, 2014, the combined fund balances were \$0.4 million.

General Fund Budgetary Highlights

The County's annual budget is prepared on an operating basis and includes estimated revenues and annual appropriations for operations. Excluding transfers between funds and debt service costs, actual expenditures were \$5 million below final budget amounts.

On the other hand, resources available, excluding bond proceeds, were \$1.4 million below the final budgeted amount. The variance in the available resources was the result of a \$2 million variance in the collection of personal property taxes and a \$0.6 million variance in stormwater taxes compared to the final budgeted amount. However, all other general property tax revenues, excluding personal property, exceed the final budget by \$1 million. Total taxes were 82% of the General Fund budget. Revenue from property taxes increased by \$6.5 million or 17% from the prior fiscal year. The increase mainly came from the increase of real property taxes in the amount of \$3.2 million and machinery and tool taxes in the amount of \$2.8 million. The increase attribute to the increase in property value and new facilities and machinery in the County's Shirley T. Holland Intermodal Industrial Park for Cost Plus World Market and Safco Products, Inc.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2014, the County had invested \$122 million, net of accumulated depreciation, in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4.)

Annually, the Board of Supervisors adopts a five (5) year Capital Improvement Plan with a five (5) year horizon. The capital improvement plan begins with a review of requests from departments, agencies and other organizations by a sub-committee, comprised of three (3) members from the Planning Commission and two (2) members from the Board of Supervisors. The funding stream, consisting of operating revenues, reserves and bonded debt is also reviewed in connection with the requests. The proposed plan is then presented to the Planning Commission for discussion and review and subsequently presented to the Board of Supervisors for adoption. More detailed information on the county's capital assets are presented in Note 7 to the basic financial statements.

Table A-4

	Governmental Activities		Business-Type Activities		Total Primary Government		% Change
	2014	2013	2014	2013	2014	2013	
Nondepreciable assets							
Land	\$ 13,128,024	\$ 13,139,504	\$ 228,840	\$ 216,840	\$ 13,356,864	\$ 13,356,344	0%
Intangibles	4,326,512	4,326,512	-	-	4,326,512	4,326,512	0%
Construction in progress	27,939,984	11,221,249	987,824	921,087	28,927,808	12,142,336	138%
Total nondepreciable assets	45,394,520	28,687,265	1,216,664	1,137,927	46,611,184	29,825,192	56%
Depreciable assets							
Land improvements	8,162,163	8,076,468	13,921,517	13,916,617	22,083,680	21,993,085	0%
Buildings	69,645,090	71,617,405	11,717,304	11,506,799	81,362,394	83,124,204	-2%
Equipment	4,663,705	4,497,506	791,471	556,055	5,455,176	5,053,561	8%
Vehicles	3,440,940	3,488,048	328,771	358,207	3,769,711	3,846,255	-2%
Total depreciable assets	85,911,898	87,679,427	26,759,063	26,337,658	112,670,961	114,017,105	-1%
Total accumulated depreciation	(24,205,918)	(22,664,755)	(13,034,640)	(12,079,583)	(37,240,558)	(34,744,338)	7%
Net capital assets	\$ 107,100,500	\$ 93,701,937	\$ 14,941,087	\$ 15,396,002	\$ 122,041,587	\$ 109,097,959	12%

Major capital asset events during the current fiscal year included the following:

- Expansion of water treatment and delivery infrastructure through participation with the Western Tidewater Water Authority
- Construction of the Isle of Wight County Rescue Building
- Construction of a new middle school

Long-Term Debt

At year-end the County had \$152.4 million in bonds, loans, notes as shown in Table A-5. The Commonwealth of Virginia limits the amount of debt outstanding to 10% of the localities assessed value of real property. At June 30, 2014, the County's debt ratio to assessed value was approximately 2% demonstrating the County's conservative debt borrowing policy and management approach. More detailed information about the County's debt is presented in the notes to the financial statements. More detailed information on the county's long-term debt are presented in Note 8 to the basic financial statements

Table A-5

	Governmental Activities		Business-Type Activities		Total Primary Government		% Change
	2014	2013	2014	2013	2014	2013	
General Obligation Bonds	\$ 105,792,197	\$ 101,933,050	\$ 34,087,803	\$ 40,991,950	\$ 139,880,000	\$ 142,925,000	-2%
Bond premium	3,563,646	4,031,879	3,387,108	3,718,480	6,950,754	7,750,359	-10%
Bond discounts	(180,060)	(198,001)	(80,939)	(89,611)	(260,999)	(287,612)	-9%
Subtotal	109,175,783	105,766,928	37,393,972	44,620,819	146,569,755	150,387,747	-3%
Installment purchase agreements - PACE	4,326,512	4,326,512	-	-	4,326,512	4,326,512	0%
Literary Loans	1,500,000	1,750,000	-	-	1,500,000	1,750,000	-14%
Note payable	-	-	36,000	48,000	36,000	48,000	-25%
Total long-term debt	\$ 115,002,295	\$ 111,843,440	\$ 37,429,972	\$ 44,668,819	\$ 152,432,267	\$ 156,512,259	-3%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The County's per capita personal income, as of the latest data available, was \$30,806.
- All tax rates remained unchanged including the Real Estate Tax Rate of \$0.65 per \$100 of assessed value.
- Increased funding for schools of approximately 5%.
- Decrease in costs for Virginia Retirement System of approximately 2%.

These indicators were taken into account when adopting the general operating and capital budget for fiscal year 2014-15. Amounts available for appropriation in the general operating budget are \$126.2 million, a 7% increase from the fiscal year 2013-14 in the amount of \$117.4 million. The increase is due to the continued recovery of the economy and revenue generated from the new business from the Industrial Park.

OTHER FACTORS TO CONSIDER

The County is committed to using its resources wisely and to delivering quality services to its citizens. The County continually strives to enhance the cost-effectiveness of its operations and the services it provides without sacrificing quality.

The Board of Supervisors revised strategic plan to incorporate a Values Statement, Mission Statement and four primary strategic directions as follows:

Isle of Wight Values Statement

To sustain Isle of Wight County's stature as a COMMUNITY OF CHOICE for people, families, and businesses alike while preserving and protecting our rural heritage, our bountiful mix of natural resources and our natural beauty for present and future generations.

Isle of Wight County Mission Statement

As a COMMUNITY OF CHOICE, Isle of Wight County is committed to providing an excellent quality of life for all citizens through the provision of fiscally responsible services and programs

Isle of Wight County Slogan

A COMMUNITY OF CHOICE committed to excellence.

Isle of Wight County's Strategic Direction/Agenda 2011-2014

- 1. Managing growth and change.*
- 2. Economic well-being and quality of life.*
- 3. Effective governance and community partnerships.*
- 4. Funding the future.*

Isle of Wight County Schools

Isle of Wight County Schools is committed to preparing our students for excellence in the 21st century by ensuring that they are provided with the knowledge and skills needed to be successful in pursuit of college, careers and citizenship in the global world community. Annually, IWCS educates more than 5,600 students in a comprehensive Pre-Kindergarten through twelfth grade instructional program; consisting of five elementary, two middle and two high schools. All IWC schools are fully accredited by the Virginia Department of Education and by the Southern Association of Colleges and Schools. Over 92.6% of IWCS' Class of 2014 graduated "on-time" with their four-year cohort group and received approximately \$6.8 million in scholarship awards.

With the opening of the 2014-15 school year, Isle of Wight County Schools continues with the i-SLE 21 Program (Initiative for Student Learning and Engagement in the 21st Century). The primary goals of this initiative include:

- Developing a culture that works collaboratively to utilize a variety of data sources and knowledge of best educational practices to guide our instructional decision-making
- Extend the rigor of daily classroom instruction and assessment to incorporate critical thinking and problem-solving skills and encourage creativity
- Increase opportunities for students to meaningfully engage in the learning process and utilize technology to enhance and expand learning opportunities.

As part of i-SLE21, all IWCS high school students have been issued an iPad for educational use, 24/7, both in and outside of the classroom. The intent of this 1-1 technology initiative is to help level the educational playing field by making technology resources available to all IWCS high school students so that the same learning opportunities are accessible to them beyond the confines of the traditional school walls and daily classroom schedule. IWCS is committed to extending the i-SLE21 initiative to middle and elementary students in the coming years. Wise use of financial resources coupled with extensive professional development for teachers will prove the keys to achieving Isle of Wight County School's to prepare our students for excellence in the 21st century.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County's Department of Budget and Finance at 757-365-6273.

Basic Financial Statements

*County of Isle of Wight, Virginia**Statement of Net Position***June 30, 2014**

	Primary Government			Discretely Presented Component Units	
	Governmental Activities	Business-Type Activities	Total	School Board	Industrial Development Authority
Assets					
Cash and cash equivalents	\$ 26,194,709	\$ 1,434,895	\$ 27,629,604	\$ 5,536,032	\$ 210,430
Restricted cash and cash equivalents	15,050,268	2,309,910	17,360,178	6,937,755	-
Investments	1,788,592	-	1,788,592	-	-
Receivables - net	1,779,109	561,825	2,340,934	172,052	-
Internal balances	(6,837,034)	6,837,034	-	-	-
Due from other governments	1,271,719	-	1,271,719	1,167,341	-
Due from component units - School	192,705	-	192,705	-	-
Due from primary government	-	-	-	-	174,686
Inventory	40,381	29,177	69,558	52,371	-
Deposits	-	-	-	-	-
Capital lease receivable	-	-	-	-	103,247
Notes receivable from component unit	89,446	-	89,446	-	-
Advanced to component unit	375,000	-	375,000	-	-
Land held for resale	-	-	-	-	1,433,285
Capital assets:					
Nondepreciable	45,394,520	1,216,664	46,611,184	1,619,726	10,859,198
Depreciable - net	61,705,980	13,724,423	75,430,403	23,367,460	212,079
Total assets	147,045,395	26,113,928	173,159,323	38,852,737	12,992,925
Deferred Outflows of Resources					
Deferred losses on refundings	755,175	897,413	1,652,588	-	-
Total deferred outflows of resources	755,175	897,413	1,652,588	-	-

County of Isle of Wight, Virginia

Statement of Net Position (Continued)

June 30, 2014

	Primary Government			Discretely Presented Component Units	
	Governmental Activities	Business-Type Activities	Total	School Board	Industrial Development Authority
Liabilities					
Accounts payable	\$ 1,798,928	\$ 548,087	\$ 2,347,015	\$ 1,916,720	\$ 178,575
Accrued liabilities	123,321	253	123,574	4,692,915	-
Advance from primary government	-	-	-	-	375,000
Amounts held in escrow	1,954,509	-	1,954,509	-	-
Due to component unit - IDA	174,686	-	174,686	-	-
Due to primary government	-	-	-	192,705	-
Customer deposits payable	-	208,820	208,820	-	1,000
Accrued interest payable	1,557,677	619,885	2,177,562	-	-
Unearned revenues	661,210	3,044	664,254	120,346	-
Long-term obligations:					
Due within one year	4,114,294	1,180,814	5,295,108	44,060	32,818
Due in more than one year	114,749,521	36,359,664	151,109,185	10,779,170	56,628
Total liabilities	125,134,146	38,920,567	164,054,713	17,745,916	644,021
Deferred Inflows of Resources					
Prepaid property taxes	681,634	-	681,634	-	-
Deferred gains on refundings	324,766	-	324,766	-	-
Total deferred inflows of resources	1,006,400	-	1,006,400	-	-
Net Position					
Net investment in capital assets	6,086,446	(12,140,987)	(6,054,541)	24,987,186	10,981,831
Restricted:					
Capital projects	13,453,644	-	13,453,644	6,856,052	-
Other	281,008	-	281,008	115,493	-
Unrestricted	1,838,926	231,761	2,070,687	(10,851,910)	1,367,073
Total net position	\$ 21,660,024	\$(11,909,226)	\$ 9,750,798	\$ 21,106,821	\$ 12,348,904

County of Isle of Wight, Virginia

Statement of Activities

Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Government activities:				
General government administration	\$ 5,859,778	\$ 682	\$ 640,817	\$ -
Judicial administration	1,334,545	174,940	424,744	-
Public safety	10,856,876	1,518,532	1,734,454	9,711
General services	6,444,839	-	54,456	379,581
Health and welfare	4,267,056	-	2,394,855	-
Education	25,930,462	-	-	313,200
Parks, recreation and cultural	3,250,023	584,689	252,087	54,709
Community development	2,805,145	43,357	217,438	148,475
Interest on long-term debt	4,507,212	-	-	-
Total governmental activities	65,255,936	2,322,200	5,718,851	905,676
Business-type activities:				
Public utility	8,677,215	3,574,275	-	481,900
Stormwater	347,845	1,632,386	-	-
Total Business-type activities	9,025,060	5,206,661	-	481,900
Total Primary Government	\$ 74,280,996	\$ 7,528,861	\$ 5,718,851	\$ 1,387,576
Component Units				
School Board	\$ 73,327,953	\$ 5,943,960	\$ 29,344,600	\$ -
Industrial Development Authority	204,633	37,414	174,686	-
Total component units	\$ 73,532,586	\$ 5,981,374	\$ 29,519,286	\$ -

County of Isle of Wight, Virginia

Statement of Activities (Continued)

Year Ended June 30, 2014

	Net (Expenses) Revenues and Changes in Net Position				
	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	School Board	Industrial Development Authority
Primary Government					
Government activities:					
General government administration	\$ (5,218,279)	\$ -	\$ (5,218,279)	\$ -	\$ -
Judicial administration	(734,861)	-	(734,861)	-	-
Public safety	(7,594,179)	-	(7,594,179)	-	-
General services	(6,010,802)	-	(6,010,802)	-	-
Health and welfare	(1,872,201)	-	(1,872,201)	-	-
Education	(25,617,262)	-	(25,617,262)	-	-
Parks, recreation and cultural	(2,358,538)	-	(2,358,538)	-	-
Community development	(2,395,875)	-	(2,395,875)	-	-
Interest on long-term debt	(4,507,212)	-	(4,507,212)	-	-
Total governmental activities	(56,309,209)	-	(56,309,209)	-	-
Business-type activities:					
Public utility	-	(4,621,040)	(4,621,040)	-	-
Stormwater	-	1,284,541	1,284,541	-	-
Total Business-type activities	-	(3,336,499)	(3,336,499)	-	-
Total Primary Government	(56,309,209)	(3,336,499)	(59,645,708)	-	-
Component Units					
School Board	-	-	-	(38,039,393)	-
Industrial Development Authority	-	-	-	-	7,467
Total component units	-	-	-	(38,039,393)	7,467
General revenue:					
General property taxes	48,365,143	-	48,365,143	-	-
Other local taxes	7,046,183	-	7,046,183	-	-
Investment earnings	324,636	16,438	341,074	47,122	8,071
Miscellaneous	840,977	-	840,977	133,106	27,392
Payment from the Primary Government	-	-	-	36,322,848	-
Gain on sale of assets	-	10,275	10,275	-	-
Transfers	(2,313,266)	2,313,266	-	-	-
Total general revenues and transfers	54,263,673	2,339,979	56,603,652	36,503,076	35,463
Change in net position	(2,045,536)	(996,520)	(3,042,056)	(1,536,317)	42,930
Net position - beginning of year	23,705,560	(10,912,706)	12,792,854	22,643,138	12,305,974
Net position - end of year	\$ 21,660,024	\$(11,909,226)	\$ 9,750,798	\$ 21,106,821	\$ 12,348,904



Local Roots, Global Reach

ISLE OF WIGHT COUNTY, VIRGINIA

County of Isle of Wight, Virginia

Balance Sheet - Governmental Funds

June 30, 2014

Assets	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 14,491,889	\$ 11,248,069	\$ 454,751	\$ 26,194,709
Restricted cash and cash equivalents	22,081	15,028,187	-	15,050,268
Investments	1,788,592	-	-	1,788,592
Receivables - net of allowance for uncollectibles:				
Taxes	759,030	-	-	759,030
Accounts	433,323	-	5,930	439,253
Notes	670,272	-	-	670,272
Due from other funds	425,184	-	1,839	427,023
Due from component unit	1,837,488	-	-	1,837,488
Due from other governments	871,603	245,325	154,791	1,271,719
Inventory	-	-	40,381	40,381
Advance to component unit	375,000	-	-	375,000
Total assets	\$ 21,674,462	\$ 26,521,581	\$ 657,692	\$ 48,853,735
Liabilities				
Accounts payable	\$ 1,117,521	\$ 577,418	\$ 103,989	\$ 1,798,928
Accrued expenses	120,777	-	2,544	123,321
Amounts held in escrow	1,947,789	-	6,720	1,954,509
Due to other funds	353,725	6,788,689	121,643	7,264,057
Due to component unit	174,686	1,644,783	-	1,819,469
Unearned revenues	649,960	-	11,250	661,210
Total liabilities	4,364,458	9,010,890	246,146	13,621,494
Deferred Inflows of Resources				
Unavailable revenue-property taxes	355,005	-	-	355,005
Prepaid property taxes	681,634	-	-	681,634
Total deferred inflows of resources	1,036,639	-	-	1,036,639
Fund Balances				
Fund balances				
Nonspendable	1,045,272	-	40,381	1,085,653
Restricted	22,081	13,453,644	258,927	13,734,652
Assigned	165,775	4,057,047	112,238	4,335,060
Unassigned	15,040,237	-	-	15,040,237
Total fund balances	16,273,365	17,510,691	411,546	34,195,602
Total liabilities, deferred inflow of resources and fund balances	\$ 21,674,462	\$ 26,521,581	\$ 657,692	\$ 48,853,735

*County of Isle of Wight, Virginia****Reconciliation of the Governmental Funds' Balance Sheet
to the Statement of Net Position*****June 30, 2014**

Total fund balances - governmental funds	\$ 34,195,602
Amount reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Nondepreciable capital assets	45,394,520
Depreciable capital assets	85,911,898
Accumulated depreciation	(24,205,918)
Depreciable capital assets, net	<u>61,705,980</u>
Revenues not collected soon enough to pay for current-period expenditures.	355,005
Deferred outflows-loss on refunding	755,175
Deferred inflows-gains on refundings	(324,766)
Long-term obligations, including bonds payable, are not due and payable in the current period and are not reported in the funds.	
Bonds, notes, loans and PACE obligations	(115,002,295)
Net OPEB obligation	(925,362)
Compensated absences	(1,208,850)
Landfill closure costs	(1,727,308)
Accrued interest payable	<u>(1,557,677)</u>
Total net position - governmental activities	<u><u>\$ 21,660,024</u></u>

County of Isle of Wight, Virginia

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

Year Ended June 30, 2014

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
General property taxes	\$ 43,628,917	\$ -	\$ -	\$ 43,628,917
Other local taxes	6,714,650	-	125,586	6,840,236
Permits, privilege fees and regulatory licenses	487,413	148,475	-	635,888
Fines and forfeitures	118,609	-	-	118,609
Revenues from use of money and property	295,685	28,951	42,076	366,712
Charges for services	1,270,213	-	308,633	1,578,846
Miscellaneous	1,084,923	179,895	56,568	1,321,386
Intergovernmental:				
Commonwealth of Virginia	8,070,123	173,836	1,083,503	9,327,462
Federal	406,885	23,769	1,640,340	2,070,994
Total revenues	62,077,418	554,926	3,256,706	65,889,050
Expenditures				
General government administration	5,301,989	-	-	5,301,989
Judicial administration	1,334,756	-	-	1,334,756
Public safety	9,199,110	-	1,226,322	10,425,432
General services	5,747,203	-	-	5,747,203
Health and welfare	950,727	-	3,293,794	4,244,521
Education	23,126,262	-	-	23,126,262
Parks, recreation and cultural	2,544,841	-	340,821	2,885,662
Community development	2,773,473	-	-	2,773,473
Capital outlay	-	18,432,571	-	18,432,571
Debt service:				
Principal retirement	2,401,952	-	-	2,401,952
Interest and other charges	5,195,448	-	-	5,195,448
Total expenditures	58,575,761	18,432,571	4,860,937	81,869,269
Excess (deficiency) of revenues over (under) expenditures	3,501,657	(17,877,645)	(1,604,231)	(15,980,219)
Other financing sources (uses)				
Transfers in	-	-	1,763,908	1,763,908
Transfers out	(4,077,174)	-	-	(4,077,174)
Bond issuance	-	6,011,099	-	6,011,099
Proceeds from sale of property	80,000	-	-	80,000
Total other financing sources (uses)	(3,997,174)	6,011,099	1,763,908	3,777,833
Net change in fund balance	(495,517)	(11,866,546)	159,677	(12,202,386)
Fund balances - beginning of year	16,768,882	29,377,237	251,869	46,397,988
Fund balances - end of year	\$ 16,273,365	\$ 17,510,691	\$ 411,546	\$ 34,195,602

The accompanying notes are an integral part of these financial statements.

County of Isle of Wight, Virginia**Reconciliation of the Governmental Funds' Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities****Year Ended June 30, 2014**

Net change in fund balances - governmental funds \$ (12,202,386)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. Transfers of capital assets to the school board are recorded as additional expenses related to education.

Capital outlay	17,827,831
Joint activity - transfer of capital assets, net	(1,891,558)
Depreciation expense	(2,456,172)
Net effect on sale of property	(81,538)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of net position.

Bond Proceeds	(6,011,099)
Repayment of debt principal	2,401,952
Amortization of bond premiums	468,233
Amortization of bond discounts	(17,941)
Amortization of deferred gain on refunding	36,085
Amortization of deferred loss on refunding	(64,591)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (379,664)

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

Decrease in landfill closure costs	50,044
Increase in compensated absences	193,899
Increase in accrued interest	266,450
Increase in net OPEB obligation	(185,081)

Change in net position of governmental activities \$ (2,045,536)

County of Isle of Wight, Virginia

Statements of Net Position - Proprietary Funds

June 30, 2014

	Public Utilities	Stormwater	Total
Assets			
Current assets			
Cash and cash equivalents	\$ -	\$ 1,434,895	\$ 1,434,895
Restricted cash and cash equivalents	2,309,910	-	2,309,910
Receivables - net of allowance of \$80,436 for Public Utilities	396,878	164,947	561,825
Inventories	29,177	-	29,177
Due from other funds	7,140,575	-	7,140,575
Total current assets	9,876,540	1,599,842	11,476,382
Noncurrent assets			
Capital assets:			
Nondepreciable	1,216,664	-	1,216,664
Depreciable - net	13,724,423	-	13,724,423
Total noncurrent assets	14,941,087	-	14,941,087
Total assets	24,817,627	1,599,842	26,417,469
Deferred losses on bond refundings	897,413	-	897,413
Total deferred losses on bond refundings	897,413	-	897,413
Liabilities			
Current liabilities			
Accounts payable	547,835	252	548,087
Accrued liabilities	253	-	253
Due to other funds	-	303,541	303,541
Accrued interest payable	619,885	-	619,885
Customer deposits payable	208,820	-	208,820
Unearned revenue	944	2,100	3,044
General obligation bonds payable	1,161,591	-	1,161,591
Notes payable	12,000	-	12,000
Compensated absences	6,292	931	7,223
Total current liabilities	2,557,620	306,824	2,864,444
Noncurrent liabilities			
General obligation bonds payable	36,232,381	-	36,232,381
Notes payable	24,000	-	24,000
Compensated absences	56,630	8,373	65,003
Net OPEB obligation	38,280	-	38,280
Total noncurrent liabilities	36,351,291	8,373	36,359,664
Total liabilities	38,908,911	315,197	39,224,108
Net Position			
Net investment in capital assets	(12,140,987)	-	(12,140,987)
Unrestricted	(1,052,884)	1,284,645	231,761
Total net position	\$ (13,193,871)	\$ 1,284,645	\$ (11,909,226)

*County of Isle of Wight, Virginia**Statements of Revenues, Expenses, and Changes in Fund Net Position- Proprietary Funds***Year Ended June 30, 2014**

	Public Utilities	Stormwater	Total
Operating revenues			
Charges for services	\$ 3,574,275	\$ 1,632,386	\$ 5,206,661
Operating expenses			
Current:			
Personnel services	512,414	233,698	746,112
Fringe benefits	287,340	87,544	374,884
Contractual services	134,249	5,941	140,190
Purchases	5,257,655	-	5,257,655
Other charges	345,990	20,662	366,652
Depreciation	984,493	-	984,493
Total operating expenses	7,522,141	347,845	7,869,986
Operating Income (loss)	(3,947,866)	1,284,541	(2,663,325)
Nonoperating revenues (expenses)			
Interest income	16,334	104	16,438
Interest and fiscal charges	(1,155,074)	-	(1,155,074)
Gain on sale of assets	10,275	-	10,275
Total nonoperating expenses, net	(1,128,465)	104	(1,128,361)
Transfers			
Transfers in	2,313,266	-	2,313,266
Total transfers	2,313,266	-	2,313,266
Income (Losses) before contributions	(2,763,065)	1,284,645	(1,478,420)
Contributions			
Connection fees	476,000	-	476,000
Capital contributions	5,900	-	5,900
Total contributions	481,900	-	481,900
Changes in net position	(2,281,165)	1,284,645	(996,520)
Net position - beginning of year	(10,912,706)	-	(10,912,706)
Net position- end of year	(13,193,871)	1,284,645	(11,909,226)

County of Isle of Wight, Virginia

Statements of Cash Flows - Proprietary Funds

Year Ended June 30, 2014

	Public Utilities	Stormwater	Total
Cash flows from operating activities			
Received from customers and users	\$ 3,557,089	\$ 1,469,539	\$ 5,026,628
Payments to suppliers for goods and services	(6,019,609)	(26,351)	(6,045,960)
Payments to employees	(788,531)	(311,938)	(1,100,469)
Net cash provided by (used in) operating activities	(3,251,051)	1,131,250	(2,119,801)
Cash flows from non-capital financing activities			
Due from other funds	2,070,760	303,541	2,374,301
Transfers in	2,313,266	-	2,313,266
Customer deposits	18,647	-	18,647
Net cash provided by non-capital financing activities	4,402,673	303,541	4,706,214
Cash flows from capital and related financing activities			
Acquisition and construction of capital assets	(529,241)	-	(529,241)
Proceed from sale of assets	15,838	-	15,838
Connection fees	476,000	-	476,000
Principal payments on bonds	(893,048)	-	(893,048)
Principal payments on notes	(12,000)	-	(12,000)
Interest paid on notes and bonds payable	(1,764,847)	-	(1,764,847)
Net cash used in capital and related financing activities	(2,707,298)	-	(2,707,298)
Cash flows from investing activities			
Interest received	16,334	104	16,438
Net cash provided by investing activities	16,334	104	16,438
Change in cash and cash equivalents	(1,539,342)	1,434,895	(104,447)
Cash and cash equivalents - beginning of year	3,849,252	-	3,849,252
Cash and cash equivalents - end of year	\$ 2,309,910	\$ 1,434,895	\$ 3,744,805
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	(3,947,866)	1,284,541	(2,663,325)
Adjustments to reconcile to net cash provided by (used in) operating activities:			
Depreciation	984,493	-	984,493
Change in:			
Accounts receivable	(18,130)	(164,947)	(183,077)
Inventories	-	-	-
Accounts payable	(281,715)	252	(281,463)
Accrued expenses	253	-	253
Unearned revenue	944	2,100	3,044
Compensated absences	3,046	9,304	12,350
Other post-employment benefits payable	7,924	-	7,924
Net cash provided by (used in) operating activities	\$ (3,251,051)	\$ 1,131,250	\$ (2,119,801)

County of Isle of Wight, Virginia

Statement of Assets and Liabilities - Fiduciary Funds

June 30, 2014

		<u>Agency Funds</u>
	Assets	
Cash and cash equivalents		<u>\$ 394,863</u>
	Liabilities	
Amounts held for social services clients		42,511
Amounts held for others		<u>352,352</u>
	Total liabilities	<u>\$ 394,863</u>

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2014

Note 1 – Summary of Significant Accounting Policies

The County of Isle of Wight, Virginia (the County) is a municipal corporation governed by an elected five member Board of Supervisors. The County provides a full range of services for its citizens. These services include police and fire protection, general services, community development, sanitation services, recreational activities, cultural events, education, and social services.

The financial statements of the County have been prepared in conformity with the U.S. generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (the GASB) and the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia. The County's more significant accounting policies are described herein.

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 the Primary Government'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 (the Primary Government) and its component units. Each discretely presented component unit is reported in a separate column in the basic financial statements to emphasize that it is legally separate from the government.

Discretely Presented Component Units

The *Isle of Wight County Public School Board* (School Board) members are elected by the citizens of the County of Isle of Wight. 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 source for the School System is the General Fund of the County. The School Board does not issue a separate financial report. The financial statements of the School Board are presented as a discretely presented component of the County financial statements.

The *Industrial Development Authority of Isle of Wight County* (IDA) was created by the Board of Supervisors and is responsible for industrial and commercial development in the County. The IDA consists of seven members appointed by the primary government's Board of Supervisors. The IDA holds certain real property being developed into an industrial park. The land was purchased by the County and conveyed to the IDA. The IDA is fiscally dependent on the County. The IDA does not issue a separate financial report. The financial statements of the IDA are presented as a discretely presented component of the County financial statements.

B. Financial Reporting Model and basis of Presentation

Government-wide Financial Statements – The government-wide Statement of Net Position and Statement of Activities report the overall financial activity of the County, excluding fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities of the County. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Financial Reporting Model and basis of Presentation (Continued)

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements – The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category — governmental, proprietary, and fiduciary — are presented. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The County reports the following major governmental funds:

General – This is the County's primary operating fund. It accounts for all financial resources of the County, except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income. The services which are administered by the County and accounted for in the General Fund include, among others, County Board, Finance, Administration, Public Safety, and General Services.

Capital Projects – Accounts for financial resources to be used for the acquisition or construction of major capital facilities

The County reports two major proprietary funds, the Enterprise **Public Utilities Fund**, which provides water and sewer services for the County and the **Stormwater Fund** which provides stormwater services for the County.

Additionally, the County reports an **Agency Fund**, which is custodial and accounts for amounts held for special assessment districts.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, except for agency funds which have no measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenues from property taxes is recognized in the period for which the levy is intended to finance, which is the year in which the taxes are levied. Revenue from grants and other contributions are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the County must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County on a reimbursement basis.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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 County considers revenues, except for property taxes, to be available if they are collected within 45 days of the end of the current fiscal period. Revenues for property taxes are considered to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, principal and interest on general long-term debt, claims and judgments, and compensated absences are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. Significant revenue sources which are susceptible to accrual include property taxes, miscellaneous taxes, charges for services, grants, and investment income. All other revenue sources including fines and forfeitures, inspection fees, and recreation fees are considered to be measurable and available only when cash is received.

D. Accounting Changes

GASB has issued Statement No. 66, Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62. The requirements of this statement resolve conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. This statement became effective for periods beginning after December 15, 2012 and did not have a significant impact on the County's financial statements for year ended June 30, 2014.

E. Cash and Cash Equivalents

The County's and School Board's cash and cash equivalents are stated at cost, which approximates fair value. Cash and cash equivalents include cash on hand, demand deposits, and short term investments with original maturities of three months or less from the date of acquisition. Deposit and investment instruments include certificates of deposit, savings accounts, money market funds, Virginia State Non-Arbitrage Program, bankers' acceptances, the Commonwealth Local Government Investment Pool (LGIP) and United States (U.S.) government securities. Investments are generally on deposit with banks and savings and loan institutions and are collateralized under the provisions of the Virginia Security for Public Deposits Act, Section 2.1-359 et seq. Securities are held in safekeeping by the respective financial institutions. Investment income is reported in the same fund that reports the investment.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

F. Investments

Investments for the Primary Government, as well as for its component units, are reported at fair value based upon quoted market prices.

G. Property Taxes

All property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data, specific account analysis and management's judgment. An allowance is also provided for accounts receivable of the Public Utilities Fund based on historical data. At June 30, 2014, the allowance for the General Fund was \$1,115,733.

The County bills and collects taxes and recognizes such taxes as revenues, when measurable and available in the General Fund and for the period in which they are levied for, in the Governmental and Business-Type activities. Property taxes, net of allowance for uncollectible amounts, not collected within 60 days after year end, are reflected as deferred inflow of resources in the governmental fund financial statements. Taxes are budgeted and billed to fund operations occurring within the year they are required to be paid. Accordingly, payments received by June 30 with a December 5 due date are intended to fund the operations of the next fiscal year and are recorded as unearned revenues at June 30. The County bills and collects its own property taxes.

	<u>Real property</u>	<u>Personal property</u>
Levy date	July 1	January 1
Due date and collection date	June 5/December 5	December 5
Lien date for delinquent taxes	January 1	January 1

While the assessed value of real estate for the County's ten largest taxpayers comprises 6.85% of the County's real estate tax base, credit risk with respect to real estate taxes receivable is limited due to the large number of property owners comprising the County's total tax base.

The Personal Property Tax Relief Act of 1998 (PPTRA) provided for the Commonwealth to reimburse a portion of the personal property tax levied on the first \$20,000 of personal use cars, motorcycles and trucks. During the 2005 Special Session I, the Virginia General Assembly passes Senate Bill 5005. The bill provides for the Commonwealth to reimburse a portion of the tangible personal property tax levied bases on a fixed relief amount. The fixed relief amount was capped at \$950,000,000 in total for all localities with the County's share capped at \$5,115,890, which the County received during the year ended June 30, 2014. The Commonwealth requires localities to record the revenue from PPTRA as received from other governments, not as property taxes.

H. Connection Fees

Connection fees accounted for in the Public Utilities Fund represents charges to new customers for their fair share of the capital cost of the system already in place and/or the cost of increasing the capacity of the system to meet the additional demand created by the connection of new customers.

I. Unbilled Utility Receivables

Estimated water sales for water usage prior to year-end that are unbilled are recognized as current year revenues and are included in utility receivables.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

J. Internal and Intra-entity Activity

The County has the following types of interfund transactions:

Loans – Interfund loan amounts are provided with a requirement for repayment. Interfund loans are reported as interfund receivables (i.e. due from other funds) in lender funds and interfund payables (i.e. due to other funds) in borrower funds.

Services provided and used – Sales and purchases of goods and services between funds for a price approximate their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as interfund receivables and payables in the fund balance sheets or fund statements of net position.

Reimbursements – Repayments are from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers – Transfers are flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.

K. Inventory

Inventory consists of materials and supplies held for future use and is stated at cost using the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

L. Capital Assets

Capital assets include land and land improvements, buildings and building improvements, equipment, vehicles and intangibles assets. Any asset or group of assets acquired by the County are considered capital assets if they have an estimated useful life in excess of two years and an acquisition cost (or fair market value when received) of at least \$5,000. Such assets are recorded at historical cost (or estimated historical cost) if constructed or purchased. Donated capital assets are recorded at fair market value at the date of donation. 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. Accumulated depreciation and amortization are reported as reductions of capital assets. At June 30, 2014, the recorded intangibles have lives into perpetuity and, therefore, are not amortized.

The costs of normal maintenance and repairs not adding to the value of the asset or materially extending asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There was no capitalized interest for the year ended June 30, 2014.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

L. Capital Assets (Continued)

Capital assets of the Primary Government, as well as the component units, are depreciated over their estimated useful lives using the straight-line method. The estimated useful lives are as follows:

	<u>Years</u>
Buildings and building improvements	50
Land improvements	20
Equipment	5-15
Vehicles	5-8

M. Compensated Absences

County and School Board employees are granted vacation and sick leave in varying amounts as services are provided. They may accumulate, subject to certain limitations, unused vacation and sick leave earned and, upon retirement, termination or death, may be compensated for certain amounts at their current rates of pay at the time of separation. The liability for compensated absences reported in the government-wide and proprietary fund financial statements has been calculated using the vesting method, which includes leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination. The liability for compensated absences is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences are typically liquidated by the County's General Fund for governmental activities, Public Utilities Fund for business-type activities and the Operating Fund for the School Board.

N. Bond Premiums, Discounts, and Deferred Gains and Losses on Refunding

In the government-wide and proprietary fund financial statements, bond premiums and discounts, as well as gains and losses on refunding, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

O. Deferred Outflows of Resources and Inflows of Resources

The Statement of Net Position and balance sheet reports separate sections for deferred outflows of resources, and deferred inflows of resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as revenue until that time.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

P. Net Position

In the government-wide and proprietary fund financial statements, net position is displayed in three components as follows:

Net Investment in Capital Assets– This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, mortgages, notes, other borrowings and deferred inflows and outflows that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This consists of net position that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation (e.g. customers’ deposits, unexpended bond proceeds). When both restricted and unrestricted resources are available for use, generally it is the County’s policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted – This consists of net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Q. Fund Balance

In the fund financial statements, fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balances are reported in five components as follows:

Nonspendable – This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – This component consists of amounts that have constraints placed on them either externally by third-parties (e.g. creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation.

Committed – This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the County’s highest level of decision making authority, the County’s Board of Supervisor, which is by board resolutions. Those committed amounts cannot be used for any other purpose unless the County removes or changes the specified use by taking the same type of action (county resolutions) it employed previously to commit those amounts.

Assigned – This component consists of amounts that are constrained by the County’s intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the Board of Supervisors. The Board of Supervisors authorized the Director of Budget & Finance to assign the fund balances.

Unassigned – This classification represents amounts that have not been restricted, committed or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the General Fund can only report a negative unassigned fund balance amount.

When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the County’s policy to use committed resources first, then assigned, and then unassigned as they are needed.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

R. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Note 2 – Deposits and Investments

Cash and investments are held separately and in pools by several of the County's funds. The County maintains various cash and investment pools that are available for use by all funds. Income from pooled investments is allocated to the funds based on their proportional share of their investment balance.

A summary of deposits and investments held by the Primary Government at June 30, 2014 is as follows:

Deposits	
Demand deposits	\$ 25,449,045
Cash on hand	2,294
Investments	
LGIP	2,573,128
Zero coupon bond	1,788,592
Money market funds	17,360,178
Total deposits and investments	<u>\$ 47,173,237</u>
Reconciliation to Statements of Net Position	
<u>Government-wide:</u>	
Cash and cash equivalents	\$ 27,629,604
Restricted cash and cash equivalents	17,360,178
Investments	1,788,592
<u>Fiduciary Funds:</u>	
Cash and cash equivalents	394,863
Total deposits and investments	<u>\$ 47,173,237</u>

A. Deposits

All cash of the Primary Government and discretely presented component units is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act (ACT), a multiple financial institution collateral pool, Section 2.2-4400 et. Seq. of the *Code of Virginia* or covered by the Federal Depository Insurance Corporation (FDIC). Under the Act, financial institutions, holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board, while savings and loan institutions are required to collateralize 100% of deposits in excess of FDIC limits. The State Treasury Board can assess additional collateral from participating financial institutions to cover collateral shortfalls in the event of default and is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by financial institutions. All funds, unless otherwise classified as restricted, are deposited into pooled bank accounts; the major account defined as the General Fund concentration account. As disbursements are made from the payroll, budget, and social services bank accounts, funds from the general fund concentration account are automatically transferred to those bank accounts to cover those disbursements on a daily basis. All cash classified as restricted is related to grantor or debtor requirements.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

Note 2 - Deposits and Investments (Continued)

B. Investment Policy

In accordance with the *Code of Virginia* and other applicable law and regulations, the County's investment policy (Policy) permits investments in obligations of the U.S. government, an agency thereof, or government sponsored corporations; high quality commercial paper and bankers' acceptances; repurchase agreements and certificates of deposit of Virginia banks and savings institutions; and the LGIP, a 2a-7 like pool, and State Non-Arbitrage Program. The maximum percentage of the portfolio permitted in commercial paper is 35% and not more than 5% can be in commercial paper issued by one corporation. The LGIP is an externally managed investment pool that is not registered with the Securities Exchange Commission but is managed as a "2a-7 like pool." Pursuant to the Code of Virginia, the Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings. The LGIP values portfolio securities by the amortized cost method and on a monthly basis this valuation is compared to current market to monitor any variance. The fair value of the County's position in the pool is the same as the value of the pool shares.

C. Credit Risk

Credit risk is the risk that the County will not recover their investments due to the inability of the counterparty to fulfill its obligation. As required by state statute, the Policy requires commercial paper have a debt rating of no less than "A-1" (or its equivalent) from at least two of the following: Moody's, Duff and Phelps, Inc., Standard & Poor's, and Fitch Investors' Service. Negotiable Certificates of Deposit and bank deposit notes maturing in less than one year must have a short-term debt rating of at least "A-1" by Standard and Poor's and "P-1" by Moody's Investor Services.

The Primary Government's investments are rated as follows:

	AAA	AA	Total
LGIP	\$ 2,573,128	\$ -	\$ 2,573,128
Zero coupon bond	-	1,788,592	1,788,592
Money market funds	17,360,178	-	17,360,178
	<u>\$ 19,933,306</u>	<u>\$ 1,788,592</u>	<u>\$ 21,721,898</u>

D. Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will decrease as a result of an increase in interest rates. As a means of limiting exposure to fair value losses arising from rising interest rates, the Policy limits the investment of operating funds to investments with a stated maturity of no more than two years from the date of purchase. The average maturity of the operating fund investment portfolio may not exceed 12 months. Proceeds from the sale of bonds must be invested in compliance with the specific requirements of the bond covenants and may be invested in securities with longer maturities

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

Note 2 - Deposits and Investments (Continued)

The Primary Government had the following investments and maturities:

	Fair Value	Less than 1	FY 2039
LGIP	\$ 2,573,128	\$ 2,573,128	\$ -
Zero coupon bond	1,788,592	-	1,788,592
Money market funds	17,360,178	17,360,178	-
	<u>\$ 21,721,898</u>	<u>\$ 19,933,306</u>	<u>\$ 1,788,592</u>

Note 3 – Due From Other Governments

The County and School Board receivables from other governments are as follows:

	<u>Primary Government</u>				<u>Component Unit -</u>
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total	School Board
<u>Amounts Due From:</u>					
Commonwealth of Virginia:					
Operating grants	\$ 346,493	\$ -	\$ -	\$ 346,493	\$ -
Capital grants	-	241,125	-	241,125	-
Social services	-	-	96,635	96,635	-
Comprehensive Services	-	-	45,256	45,256	-
Mobile Home Titling tax	4,405	-	-	4,405	-
Communication tax	113,453	-	-	113,453	-
Recordation Tax	48,891	-	-	48,891	-
State and Use Sales Tax	207,709	-	-	207,709	994,758
Federal government operating grants	70,725	-	7,524	78,249	80,535
Town of Windsor	-	4,200	3,913	8,113	-
Town of Smithfield	-	-	1,463	1,463	-
Other	79,927	-	-	79,927	92,048
Totals	<u>\$ 871,603</u>	<u>\$ 245,325</u>	<u>\$ 154,791</u>	<u>\$ 1,271,719</u>	<u>\$ 1,167,341</u>

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

Note 4 – Interfund Balances and Activity

The following balances at June 30, 2014 represent amounts due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Stormwater Fund	\$ 303,541
General Fund	Other Governmental Funds	121,643
Other Governmental Funds	General Fund	1,839
Public Utilities	General Fund	351,886
Public Utilities	Capital Projects Fund	6,788,689
		<u>\$ 7,567,598</u>

These balances result from operating transactions between funds and are repaid during the next fiscal year within the normal course of business.

Interfund transfers for the year ended June 30, 2014 were as follows:

Transfer Out	Transfer in	Purpose	Amount
General Fund	Public Utilities Fund	Transfer for general operations	\$ 2,313,266
General Fund	Nonmajor Governmental Fund	Transfer for Social Services operations	688,310
General Fund	Nonmajor Governmental Fund	Transfer for Comprehensive Services	221,867
General Fund	Nonmajor Governmental Fund	Transfer for Section 8 operations	62,655
General Fund	Nonmajor Governmental Fund	Transfer for E-911 operations	791,076
Total			<u>\$ 4,077,174</u>

Transfers are used as follows: (1) to move revenues from the fund that statute or budget requires to collect them, to the fund that statute or budget requires to expend them (2) to use unrestricted revenues collected in the General Fund to finance various grants, projects or programs accounted for in other funds in accordance with budgetary authorization and (3) to provide funding for capital expenditures or budgeted subsidies for operations

Note 5 – Notes Receivable

A. Acquisition Notes

The County agreed to loan the IDA \$358,000 to finance the acquisition of an office building by the IDA. Interest on the outstanding principal balance of the note is due at a rate of 7% per annum. The outstanding principal balance of the note receivable at June 30, 2014 is \$89,446 and matures in March 2017.

B. Town of Smithfield

As recorded in the General Fund, the County sold a building and land to the Town of Smithfield in 2011 for \$677,215. The County financed \$638,908 of the selling price at variable rates of interest from 4.0% to 5.5% and maturing on January 1, 2019. The outstanding principle balance of the note receivable at June 30, 2014 is \$580,826.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

Note 6 – Lease Receivable

The IDA leases the office building discussed in Note 6.A. to International Paper. The agreement calls for the purchase of this office building by International Paper for \$1 at the end of the lease and has, therefore, been treated as a direct financing lease transaction.

The following schedule summarizes the total future minimum lease payments:

2015	\$	41,184
2016		41,184
2017		<u>30,891</u>
Total minimum lease payments		113,259
Less - amount representing interest		<u>(10,012)</u>
Present value of future payments	\$	<u><u>103,247</u></u>

Although International Paper closed its Franklin facility, the Company has been actively engaged in marketing the facility.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

Note 7 – Capital Assets

The following is a summary of changes in capital assets:

Primary Government	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 13,139,504	\$ 54,240	\$ 65,720	\$ 13,128,024
Intangibles	4,326,512	-	-	4,326,512
Construction in progress	3,555,214	3,563,046	40,897	7,077,363
Construction in progress - jointly owned assets	7,666,035	13,196,586	-	20,862,621
Total capital assets not being depreciated	28,687,265	16,813,872	106,617	45,394,520
Capital assets being depreciated:				
Buildings - County	35,184,045	253,418	-	35,437,463
Buildings - jointly owned assets	36,433,360	-	2,225,733	34,207,627
Land improvements	8,076,468	85,695	-	8,162,163
Equipment	4,497,506	198,125	31,926	4,663,705
Vehicles	3,488,048	517,618	564,726	3,440,940
Total capital assets being depreciated	87,679,427	1,054,856	2,822,385	85,911,898
Less - accumulated depreciation:				
Buildings - County	5,011,058	663,950	-	5,675,008
Buildings - jointly owned assets	10,559,965	916,294	334,175	11,142,084
Land improvements	2,007,017	338,591	-	2,345,608
Equipment	2,357,244	265,605	16,108	2,606,741
Vehicles	2,729,471	271,732	564,726	2,436,477
Total accumulated depreciation	22,664,755	2,456,172	915,009	24,205,918
Total capital assets being depreciated - net	65,014,672	(1,401,316)	1,907,376	61,705,980
Governmental activities capital assets - net	\$ 93,701,937	\$ 15,412,556	\$ 2,013,993	\$ 107,100,500

Depreciation expense was charged to functions of the Primary Government as follows:

Governmental activities	
General government administration	\$ 558,626
Public safety	433,091
General services	93,804
Health and welfare	73,249
Parks, recreation and culture	348,998
Community development	32,110
Education	916,294
Total depreciation expense - governmental activities	\$ 2,456,172

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

Note 7 – Capital Assets (Continued)

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 216,840	\$ 15,000	\$ 3,000	\$ 228,840
Construction in progress	921,087	448,445	381,708	987,824
Total capital assets not being depreciated	<u>1,137,927</u>	<u>463,445</u>	<u>384,708</u>	<u>1,216,664</u>
Capital assets being depreciated:				
Buildings	11,506,779	210,525	-	11,717,304
Land improvements	13,916,617	4,900	-	13,921,517
Equipment	556,055	235,416	-	791,471
Vehicles	358,207	-	29,436	328,771
Total capital assets being depreciated	<u>26,337,658</u>	<u>450,841</u>	<u>29,436</u>	<u>26,759,063</u>
Less - accumulated depreciation:				
Buildings	3,015,517	233,576	-	3,249,093
Land improvements	7,782,520	36,017	-	7,818,537
Equipment	1,035,226	31,856	-	1,067,082
Vehicles	246,320	683,044	29,436	899,928
Total accumulated depreciation	<u>12,079,583</u>	<u>984,493</u>	<u>29,436</u>	<u>13,034,640</u>
Total capital assets being depreciated - net	<u>14,258,075</u>	<u>(533,652)</u>	<u>-</u>	<u>13,724,423</u>
Business-type activities capital assets - net	<u>\$ 15,396,002</u>	<u>\$ (70,207)</u>	<u>\$ 384,708</u>	<u>\$ 14,941,087</u>

All business-type activities capital assets are reported in the Public Utilities Enterprise Fund.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

Note 7 – Capital Assets (Continued)

<u>Discretely Presented Component</u>	Balance			Balance
<u>Unit - School Board</u>	<u>July 1, 2013</u>	Additions	Deletions	<u>June 30, 2014</u>
Capital assets not being depreciated:				
Land	\$ 1,619,726	\$ -	\$ -	\$ 1,619,726
Total capital assets not being depreciated	<u>1,619,726</u>	<u>-</u>	<u>-</u>	<u>1,619,726</u>
Capital assets being depreciated:				
Buildings and improvements	43,118,561	1,891,558	-	45,010,119
Land improvements	1,810,568	-	-	1,810,568
Equipment	10,999,130	406,910	31,450	11,374,590
Vehicles	5,465,586	-	-	5,465,586
Total capital assets being depreciated	<u>61,393,845</u>	<u>2,298,468</u>	<u>31,450</u>	<u>63,660,863</u>
Less - accumulated depreciation:				
Buildings and improvements	23,434,896	2,150,784	-	25,585,680
Land improvements	1,274,260	45,683	-	1,319,943
Equipment	8,377,388	617,767	31,450	8,963,705
Vehicles	4,193,085	230,990	-	4,424,075
Total accumulated depreciation	<u>37,279,629</u>	<u>3,045,224</u>	<u>31,450</u>	<u>40,293,403</u>
Total capital assets being depreciated - net	<u>24,114,216</u>	<u>(746,756)</u>	<u>-</u>	<u>23,367,460</u>
School Board capital assets - net	<u>\$ 25,733,942</u>	<u>\$ (746,756)</u>	<u>\$ -</u>	<u>\$ 24,987,186</u>

In accordance with Section 15.2-1800.1 of the Code of Virginia, 1950, as amended, local governments have a “tenancy in common” with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one fiscal year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the County of Isle of Wight, Virginia for the year ended June 30, 2014, is that school financed assets, net of accumulated depreciation, in the amount of \$43,928,164 are reported in the primary government as “jointly owned assets” for financial reporting purposes.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

Note 7 – Capital Assets (Continued)

<u>Discretely Presented Component Unit - Industrial Development Authority</u>	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2014</u>
Capital assets not being depreciated:				
Land	\$ 10,859,198	\$ -	\$ -	\$ 10,859,198
Total capital assets not being depreciated	<u>10,859,198</u>	<u>-</u>	<u>-</u>	<u>10,859,198</u>
Capital assets being depreciated:				
Buildings	55,000	-	-	55,000
Land Improvements	181,255	-	-	181,255
Total capital assets being depreciated	<u>236,255</u>	<u>-</u>	<u>-</u>	<u>236,255</u>
Less - accumulated depreciation				
Buildings	4,950	1,100	-	6,050
Land Improvements	9,063	9,063	-	18,126
Total accumulated depreciation	<u>14,013</u>	<u>10,163</u>	<u>-</u>	<u>24,176</u>
Total capital assets being	<u>222,242</u>	<u>(10,163)</u>	<u>-</u>	<u>212,079</u>
IDA capital assets - net	<u>\$ 11,081,440</u>	<u>\$ (10,163)</u>	<u>\$ -</u>	<u>\$ 11,071,277</u>

The following construction commitments were entered into by the County with various vendors for infrastructure and building improvements in the areas of general government administration, public safety, education, parks, recreation and cultural and public utility as follows:

Construction Commitments:	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Industrial Park	\$ 8,031,107	\$ 19,379
STH Intermodal Park	12,512,930	144,264
ECC Communications Tower-Rushmere	40,078	-
IOW Rescue Squad Bldg	4,738,696	461,498
Isle of Wight Health Department	2,596,522	168,532
Park to Park Trail	-	256,447
Nike Skate Park	104,533	250,000
Heritage Park Upgrades	65,963	-
Georgie D. Tyler Middle School	21,526,472	779,634
Regional Consent Order	964,316	984
Bethel Heights Upgrade	175,171	2,198
Camptown/Carrsville Public Utilities Improvements	411,709	17,817
CSX/Sewer Force Main	86,645	-
Route 460 Pump Station	164,900	34,700
	<u>\$ 51,419,042</u>	<u>\$ 2,135,453</u>

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

Note 8 – Long-Term Obligations

The following is a summary of changes in long-term obligations during the year ended June 30, 2014:

Governmental Activities	Balance				Balance June 30, 2014	Due Within One Year
	July 1, 2013	Increases	Decreases	Transfers		
General obligation bonds	\$101,933,050	\$ -	\$ (2,151,952)	\$ 6,011,099	\$ 105,792,197	\$ 3,743,409
Bond premiums	4,031,879	-	(468,233)	-	3,563,646	-
Bond discounts	(198,001)	-	17,941	-	(180,060)	-
	<u>105,766,928</u>	<u>-</u>	<u>(2,602,244)</u>	<u>6,011,099</u>	<u>109,175,783</u>	<u>3,743,409</u>
PACE program	4,326,512	-	-	-	4,326,512	-
Literary loans	1,750,000	-	(250,000)	-	1,500,000	250,000
Net OPEB obligation	740,281	232,400	(47,319)	-	925,362	-
Compensated absences	1,402,749	630,728	(824,627)	-	1,208,850	120,885
Landfill closure costs	1,777,352	-	(50,044)	-	1,727,308	-
Total Governmental Activities	<u>\$ 115,763,822</u>	<u>\$ 863,128</u>	<u>\$ (3,774,234)</u>	<u>\$ 6,011,099</u>	<u>\$ 118,863,815</u>	<u>\$ 4,114,294</u>
Business-Type Activities						
General obligation bonds	\$ 40,991,950	\$ -	\$ (893,048)	\$ (6,011,099)	\$ 34,087,803	\$ 1,161,591
Bond premiums	3,718,480	-	(331,372)	-	3,387,108	-
Bond discounts	(89,611)	-	8,672	-	(80,939)	-
	<u>44,620,819</u>	<u>-</u>	<u>(1,215,748)</u>	<u>(6,011,099)</u>	<u>37,393,972</u>	<u>1,161,591</u>
Notes payable	48,000	-	(12,000)	-	36,000	12,000
Compensated absences	59,876	72,340	(59,990)	-	72,226	7,223
Net OPEB obligation	30,356	9,529	(1,605)	-	38,280	-
Total Business-Type Activities	<u>\$ 44,759,051</u>	<u>\$ 81,869</u>	<u>\$ (1,289,343)</u>	<u>\$ (6,011,099)</u>	<u>\$ 37,540,478</u>	<u>\$ 1,180,814</u>
Discretely Presented Component Units						
School Board						
Capital leases	\$ -	\$ 6,895,000	\$ -	\$ -	\$ 6,895,000	\$ -
Net OPEB obligation	3,014,995	845,164	(372,528)	-	3,487,631	-
Compensated absences	472,440	83,046	(114,887)	-	440,599	44,060
	<u>\$ 3,487,435</u>	<u>\$ 7,823,210</u>	<u>\$ (487,415)</u>	<u>\$ -</u>	<u>\$ 10,823,230</u>	<u>\$ 44,060</u>
Industrial Development Authority						
Note payable	<u>\$ 120,158</u>	<u>\$ -</u>	<u>\$ (30,712)</u>	<u>\$ -</u>	<u>\$ 89,446</u>	<u>\$ 32,818</u>

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

Note 8 – Long-Term Obligations (Continued)

A. General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities and are direct obligations and pledge the full faith and credit of the government. These bonds are generally issued with varied amounts of principal maturing each year. There are no sinking fund requirements. General obligation bonds currently outstanding are as follows:

	Amount Outstanding
<i>General Obligations Bonds of 2013</i> - \$2,145,000 dated June 2013, principal payable in various annual installments through 2020, interest payable semi-annually at a coupon rate of 2.7%. The principal was used to refund \$790,000 and \$1,105,000 of outstanding 2004 and 2008B Series Bonds respectively.	\$ 2,145,000
<i>General Obligations Bonds of 2012</i> - \$48,465,000 dated September 2012, principal payable in various annual installments through 2043, interest payable semi-annually at coupon rates from 2% to 5%. Of this bond issue, \$3,494,846 was borrowed to finance various capital improvements. The remaining \$33,680,000 was used to current refund \$7,685,000 of outstanding 2010 Series Bonds and advance refund \$6,460,000 of the outstanding 2011 Bond Anticipation Note, and \$19,535,000 of the outstanding 2003 and 2004 bonds. The bonds were issued at a \$6,774,843 premium, which is being amortized over the life of the bonds.	48,465,000
<i>General Obligation Bonds of 2011A (tax exempt bonds)</i> - \$17,630,000 dated June 2011 with principal payable in various annual installments through 2031. Interest is payable semi-annually at a rate that varies from 2.00% to 4.125% over the life of the bond. The bonds were used to finance general obligation public improvements and to advance refund prior issues. The bonds were issued at a premium of \$235,938, which is being amortized over the life of the bonds.	17,630,000
<i>General Obligation Bonds of 2011C (tax exempt bonds)</i> - \$7,500,000 dated June 2011 with principal payable in one payment due April 2016. Interest is payable semi-annually at a fixed rate of 4% over the life of the bond. The bonds are being used to finance the literary programs. The bonds were issued at a premium of \$702,150, which is being amortized over the life of the bonds.	7,500,000

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

<p>General Obligation Bonds of 2011VPSA (tax exempt bonds) - \$7,500,000 dated June 2011 with principal payable in various annual installments beginning June 2014 through to June 2027. These bonds were obtained through the Virginia Public School Authority pooled Qualified School Construction Bonds (QSCB). The QSCBs are tax credit bonds such that the interest component of the bond is subject entirely to the federal subsidy reimbursement which offsets completely the interest on these bonds. The bonds are being used for the school construction and renovation projects.</p>	7,250,000
<p>General Obligation Bonds of 2010D (tax exempt bonds) - \$12,145,000 dated September 2010 with principal payable in various annual installments through April 2028. Interest is payable semi-annually at a rate that varies from 2.00% to 4.00% over the life of the bond. The bonds are being used to refund the balance of all the County's outstanding general obligation series 2008A and general obligation refunding series 2009. The bonds were issued at a premium of \$643,939, which is being amortized over the life of the bonds.</p>	10,450,000
<p>General Obligation Bonds of 2010A (tax exempt bonds) - \$985,000 dated April 2010 with principal payable in various annual installments through 2016. Interest is payable semi-annually at a rate that varies from 3.00% to 3.25% over the life of the bond. The bonds were used to refund the balance of all the County's outstanding general obligation series 1996. The bonds were issued at a premium of \$36,522, which is being amortized over the life of the bonds.</p>	985,000
<p>General Obligation Bonds of 2010C (taxable Build America Bonds) - \$13,530,000 dated April 2010 with principal payable in various annual installments through 2033. Interest is payable semi-annually at a rate that varies from 3.70% to 6.05% over the life of the bond. The bonds were used to finance various capital improvements, including but not limited to, the acquisition, construction and equipping of courthouse and public safety facilities, public buildings and the acquisition of land for economic development. The bonds were issued at par value.</p>	13,530,000
<p>General Obligation Bonds of 2008B - \$25,000,000 dated December 2008, principal is payable in various annual installments through 2032. Interest payable semi-annually at a rate that varies from 4% to 6% over the life of the bond. The bonds were used to finance continuation of public utility improvements begun under the Series 2008A bond, various economic development projects, a new County courts building, and other public safety and fire/rescue construction and renovation projects.</p>	23,450,000

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

<p>General Obligation Bonds of 2005 - \$13,880,000 dated August 2005, principal payable in various annual installments through 2022, interest payable semi-annually at coupon rates from 3% to 5%. The proceeds were used to advance refund a portion of the outstanding balance of the 1995 and 1997 Series Bonds. The bonds were issued at a \$316,290 premium, which is being amortized over the life of the bonds. The repayment of the bonds is allocated between governmental and business-type activities.</p>	<p>8,475,000</p>
<p>Total General Obligation Bonds Outstanding</p>	<p><u>\$ 139,880,000</u></p>

Maturities of General Obligation Bonds, including future interest payments, are as follows:

Fiscal Year Ending June 30,	Governmental Activities		Business-Type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 3,743,409	\$ 4,001,219	\$ 1,161,591	\$ 1,473,610	\$ 4,905,000	\$ 5,474,829
2016	12,847,807	3,869,945	1,302,193	1,430,021	14,150,000	5,299,966
2017	6,436,561	3,393,131	1,353,439	1,376,025	7,790,000	4,769,156
2018	6,640,788	3,163,505	1,399,212	1,338,489	8,040,000	4,501,994
2019	6,935,578	2,896,846	1,424,422	1,303,294	8,360,000	4,200,140
2020-2024	33,312,449	10,843,755	6,502,551	5,647,107	39,815,000	16,490,862
2025-2029	23,007,999	5,510,818	3,897,001	4,634,179	26,905,000	10,144,997
2030-2034	12,867,606	1,132,067	4,242,394	3,737,453	17,110,000	4,869,520
2035-2039	-	-	6,215,000	2,455,625	6,215,000	2,455,625
2040-2044	-	-	6,590,000	724,250	6,590,000	724,250
Total	\$ 105,792,197	\$ 34,811,286	\$ 34,087,803	\$ 24,120,052	\$ 139,880,000	\$ 58,931,338

B. Refunded Debt

Prior Years Defeased Obligations

In prior years, the County defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. At June 30, 2014, the County had \$15,430,000 in outstanding prior year bonds that are considered defeased.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

Note 8 – Long-Term Obligations (Continued)

C. Purchase Agricultural Conservation Easement Program

On May 19, 2005, Board of Supervisors adopted an ordinance establishing the Purchase Agricultural Conservation Easement Program (PACE). The primary purpose of the ordinance is to promote and encourage the preservation of farmland in Isle of Wight County. Through PACE, the County acquires development rights in designated areas within the County through the purchase of agricultural land preservation easements. Landowners who meet certain eligibility criteria may sell an easement to the County while holding fee simple title to the land and continuing to farm. The County acquires development rights by executing installment purchase agreements with the landowners and have an indefinite life.

These agreements provide for the payment of the principal balance to be paid in a single installment due approximately thirty years after execution of the agreement. Interest on the unpaid principal balance is payable semi-annually and interest expense was \$209,836 for June 30, 2014.

These obligations are constituted within the meaning of Article VII, Section 10 of the Virginia Constitution and are general obligations of the County, pledging the full faith and credit and unlimited taxing power of the County. By policy, interest will be paid from a dedicated portion of real estate taxes with principal payments being made from a maturing zero coupon Treasury securities purchased from the dedicated portion of real estate taxes.

At June 30, 2014, two installment purchase agreements totaling 619.08 acres at a total purchase price of \$4,326,512 are outstanding.

The following is a summary of the repayment schedules:

Fiscal Year Ending June 30,	Governmental Activities	
	Principal	Interest
2015	\$ -	\$ 209,836
2016	-	209,836
2017	-	209,836
2018	-	209,836
2019	-	209,836
2020-2024	-	1,049,180
2025-2029	-	1,049,180
2030-2034	-	1,049,180
2035-2039	4,326,512	1,154,097
	<u>\$ 4,326,512</u>	<u>\$ 5,350,817</u>

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

Note 8 – Long-Term Obligations (Continued)

D. Literary Loans

Literary loans consist of loans from the State Literary Loan Fund for the construction and improvement of various schools. Payment will be made in annual installments plus interest of 3%. The following is a summary of the repayment schedules:

Fiscal Year Ending June 30,	<u>Principal</u> <u>Interest</u>	
	2015	\$ 250,000
2016	250,000	37,500
2017	250,000	30,000
2018	250,000	22,500
2019	250,000	15,000
2020	250,000	7,500
	<u>\$ 1,500,000</u>	<u>\$ 157,500</u>

E. Notes Payable – Public Utilities

The County in 2012 purchased a water transmission easement for \$90,000 of which \$60,000 of the amount was financed by the owner over five years at zero interest. The note matures in 2017.

The following is a summary of the repayment schedules:

Fiscal Year Ending June 30,	<u>Principal</u> <u>Interest</u>	
	2015	\$ 12,000
2016	12,000	-
2017	12,000	-
	<u>\$ 36,000</u>	<u>\$ -</u>

F. Notes Payable - IDA

The note payable of the IDA is the note to the General Fund used to finance the construction of the office building leased by the IDA to International Paper. This note is payable in annual installments plus interest at 7% per annum.

The following is a summary of the repayment schedules:

Fiscal Year Ending June 30,	<u>Principal</u> <u>Interest</u>	
	2015	\$ 32,818
2016	35,068	2,710
2017	21,560	480
	<u>\$ 89,446</u>	<u>\$ 8,150</u>

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

Note 8 – Long-Term Obligations (Continued)

G. School Board Capital Leases

The School Board has entered into a non-cancelable equipment lease purchase agreement to finance the costs to acquire, construct and install certain energy savings. No assets have been acquired, constructed or installed as of June 30, 2014.

Future lease minimum lease payments are as follows:

Fiscal Year	
Ending June 30,	
2015	\$ 249,235
2016	407,072
2017	420,393
2018	435,944
2019	450,648
Thereafter	<u>8,251,646</u>
Total minimum lease payments	\$ 10,214,937
less amounts representing interest	<u>3,319,937</u>
Present value of minimum lease payments	<u><u>\$ 6,895,000</u></u>

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

Note 9 – Defined Pension Benefit Obligation

A. Plan Description

The County and School Board contribute to the Virginia Retirement System (VRS), an agent multiple-employer defined benefit pension plan administered by the VRS. School Board nonprofessional employees participate as a separate group in the agent multiple-employer defined benefit pension plan. Benefits vest after five years of service credit. Members earn one month of service credit for each month they are employed and their employer is paying into the VRS. Members are eligible to purchase prior public service, active duty military service, certain periods of leave and previously refunded VRS service as credit in their plan.

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

- Members hired before July 1, 2010 and who 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 as early as age 55 with at least five years of service credit or age 50 with at least 10 years of service credit.
- Members hired or rehired on or after July 1, 2010 and 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 at least five years of service credit.
- Eligible hazardous duty members in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. These members include sheriffs, deputy sheriffs and hazardous duty employees of political subdivisions that have elected to provide enhanced coverage for hazardous duty service. They may retire with a reduced benefit as early as age 50 with at least five years of service credit. All other provisions of the member's plan apply.

The VRS Basic Benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the member's average final compensation multiplied by the member's total service credit. Under Plan 1, average final compensation is the average of the member's 36 consecutive months of highest compensation. Under Plan 2, average final compensation is the average of the member's 60 consecutive months of highest compensation. The retirement multiplier for non-hazardous duty members is 1.70 %. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier for eligible political subdivision hazardous duty employees other than sheriffs and jail superintendents is 1.70% or 1.85% as elected by the employer. 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.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

Note 9 – Defined Pension Benefit Obligation (Continued)

A. Plan Description (Continued)

Retirees are eligible for an annual cost-of-living adjustment (COLA) effective July 1 of the second calendar year of retirement. Under Plan 1, the COLA cannot exceed 5.00%; under Plan 2, the COLA cannot exceed 3%. 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 report may be obtained from the VRS Web site at <http://www.varetire.org/Pdf/Publications/2010-annual-report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500

B. Funding Policy

Plan members are required by Title 51.1 of the *Code of Virginia* (1950), as amended, to contribute 5% of their compensation toward their retirement. All or part of the 5% 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 of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. In addition, the County and School Board are required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by *Code of Virginia* and approved by the VRS Board of Trustees. The County and School Board (non professional employees) contribution rates for the fiscal year ended June 30, 2014, were 11.28% and 11.43%, respectively, of the annual covered payroll. The County uses General Fund to liquidate the pension obligation for governmental activities and Public Utility Enterprise Fund to liquidate the pension obligation for business-type activities.

C. Annual Pension Cost

For the fiscal year ended June 30, 2014, the County and School Board's annual pension costs of \$2,165,175 and \$282,452, respectively, were equal to the County and School Board's required and actual contributions. The required contribution was determined as part of the June 30, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.00% investment rate of return, (b) projected salary increases of 3.75% to 5.60% per year for general government employees and 3.50% to 4.75% per year for employees eligible for enhanced benefits available to law enforcement, firefighters, and sheriffs, and (c) 2.50% per year cost-of-living adjustment. Both (a) and (b) included 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 was determined using 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 payrolls on an open basis within a period of 30 years or less.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

Note 9 – Defined Pension Benefit Obligation (Continued)

D. Schedules of Employer Contributions

Fiscal Year Ended June 30,	Annual Pension Cost (APC)	Percentage Contributed	Net Pension Obligation
County Employees			
2014	\$ 2,165,175	100%	-
2013	\$ 1,848,162	100%	-
2012	\$ 1,470,448	100%	-
School Board Nonprofessional Employees			
2014	\$ 282,452	100%	-
2013	\$ 238,685	100%	-
2012	\$ 289,096	100%	-

E. Schedule of Funding Progress

Actuarial value date June 30, 2013	Actuarial value of assets	Actuarial liability (AAL) project unit credit	Unfunded actuarial liability (UAAL)	Funding Ratio	Covered Payroll	UAAL as a percentage of covered payroll
County	\$ 28,450,316	\$ 35,046,800	\$ 6,596,484	81.18%	\$ 11,282,976	58.46%
Component Unit - School Board	\$ 4,561,728	\$ 5,564,222	\$ 1,002,494	81.98%	\$ 1,909,362	52.50%

Immediately following the notes to the financial statements in the Required Supplementary Information is a multi-year schedule of funding progress for the County and the School Board, which presents trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

F. School Board Cost Sharing Defined Benefit Plan

School Board professional employees participate in a multiple-employer defined benefit pension plan administered by the VRS cost-sharing pool.

School Board’s contributions to VRS for the year ended June 30, 2014, 2013, and 2012 were \$3,209,039, \$3,721,221, and \$3,505,082, respectively, and were equal to the required contribution for each year. The School Board’s contribution rate applicable to professional employees for the fiscal year ended June 30, 2013 was 12.14% percent of the annual covered payroll.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

Note 10 – Other Post Employment Benefit (OPEB) Plans

A. Plan Provisions

In addition to providing the pension benefits described in Note 9, the County and School Board provide postemployment health care (OPEB) for qualifying retired employees, who are not yet eligible for Medicare, through a single-employer defined benefit plan. The benefits benefit levels, employee contributions and employer contributions are governed by the County and School Board and can be amended.

B. Plan Description

Currently, covered full-time active employees who retire directly from the County, are eligible to receive an early or regular retirement benefit from the VRS and have at least 15 years of service (or have retired due to line-of-duty injuries) are eligible to receive post-employment health care benefits. Each year, retirees participating in the County's sponsored plans will be given the opportunity to change plans or drop coverage during an open enrollment period. The pre-Medicare retirees have a choice of two plans: Key Care and Health Keepers Plans. Post-Medicare retirees and spouses of retirees are not eligible to participate. Dental plans are available at the retiree's cost and it is assumed for both the County and the Schools that participant dental contributions cover any dental claims that may occur. Therefore, there is no liability for dental plan coverage in retirement. There were 2 County participants at the time of the actuarial study. Since the retirees contribute towards their health insurance premiums based on a blended rate, the County has an implicit liability.

For the School Board, the retiree must also retire directly from the Schools and be eligible to receive an early or regular retirement benefit from the VRS. Post-Medicare retirees are not eligible to participate. Spouses of retirees may participate until they are eligible for Medicare. The School Board provides a single-employer defined benefit medical plan that covers retirees until they are eligible for Medicare. There is no coverage provided for retirees or their spouses once they reach the age of 65 and are eligible for Medicare. Both plans were established under the authority of the Isle of Wight County School Board and any amendments to the plans must be approved by the School Board. The School Board's current plan participants are 19. Since the retirees contribute towards their health insurance premiums based on a blended rate, the School Board has an implicit liability.

Employees may retire under the Virginia Retirement System with an unreduced pension benefit under the following age and service requirements:

- Age 50 and 30 years of service
- Age 65 and 5 years of service

Employees may retire with a reduced pension benefit at either age 50 and 10 years of service or age 55 and five years of service.

C. Funding Policy

The anticipated growth in the net OPEB obligation is based on contributions to the benefit plan on a pay-as-you-go cost basis. The County of School Board's actuarial studies used data which has been projected into the future based on the assumption the current active population remains constant. In addition, the estimated contributions are based on the implicit rate subsidy payments made during the year by the retirees. The plan is unfunded. The County uses General Fund to liquidate the OPEB obligation for governmental activities and Public Utility Enterprise Fund to liquidate the OPEB obligation for business-type activities.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

Note 10 – Other Post Employment Benefit (OPEB) Plans (Continued)

D. Annual OPEB Costs and Net OPEB Obligations

The County's annual OPEB cost (expense) is calculated based on the ARC, an amount actuarially determined in accordance with GAAP. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation.

Governmental Activities

Annual required contribution (ARC)	\$	233,454
Interest on net OPEB obligations		29,611
Adjustment to annual required contribution		(30,665)
Annual OPEB Cost		<u>232,400</u>
Pay-As-You-Go Annual Employer Contributions		(47,319)
Increase in Net OPEB Obligations		<u>185,081</u>
Net OPEB Obligations - beginning of year		740,281
Net OPEB Obligations - end of year	\$	<u><u>925,362</u></u>

Business-Type Activities

Annual required contribution	\$	9,572
Interest on net OPEB obligations		1,214
Adjustment to annual required contributions		(1,257)
Annual OPEB Cost		<u>9,529</u>
Pay-As-You-Go Annual Employer Contributions		(1,605)
Increase in Net OPEB Obligations		<u>7,924</u>
Net OPEB Obligations - beginning of year		30,356
Net OPEB Obligations - end of year	\$	<u><u>38,280</u></u>

Component Unit - School Board

Annual required contribution	\$	849,456
Interest on net OPEB obligation		120,600
Adjustment to annual required contribution		(124,892)
Annual OPEB Cost		<u>845,164</u>
Pay-As-You-Go Annual Employer Contribution		(372,528)
Increase in Net OPEB Obligations		<u>472,636</u>
Net OPEB Obligation - beginning of year		3,014,995
Net OPEB Obligations - end of year	\$	<u><u>3,487,631</u></u>

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

Note 10 – Other Post Employment Benefit (OPEB) Plans (Continued)

D. Annual OPEB Costs and Net OPEB Obligations (Continued)

Information reflecting the annual OPEB cost, which approximated the annual required contribution, and the percentages contributed for the past three fiscal years is as follows:

Fiscal Year Ended June 30,	Annual OPEB Cost	Percent Contributed	Net OPEB Obligation
Governmental Activities			
2014	\$ 232,400	20.4%	\$ 925,362
2013	223,251	14.2%	740,281
2012	197,972	17.6%	548,766
Business-Type Activities			
2014	\$ 9,529	16.8%	\$ 38,280
2013	8,371	7.7%	30,356
2012	8,692	8.4%	22,632
Component Unit - School Board			
2014	\$ 845,164	44.1%	\$ 3,487,631
2013	785,939	34.1%	3,014,859
2012	945,624	39.4%	2,496,859

E. Actuarial Methods and Assumptions

Valuation Methods

The Entry Age Normal actuarial cost method was used to calculate all of the expense amounts and the funded status of the plan. The calculations were performed in accordance with the methodologies set forth in GAAP. This method assigns the plan's total actuarial present value of future benefits to various periods. The actuarial accrued liability is assigned to years prior to the valuation and the normal cost is assigned to the year following the valuation. The remaining costs are assigned to future years.

Employees Included in the Calculations

All active employees who are expected to meet the plan's eligibility requirements on or before the ultimate assumed retirement age are included in the calculations. Retirees, spouses, and spouse survivors who are entitled to a benefit under the provisions of the plan are also included.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

Note 10 – Other Post Employment Benefit (OPEB) Plans (Continued)

E. Actuarial Methods and Assumptions (Continued)

Actuarial Assumptions

In the July 1, 2014 actuarial valuation, the Entry Age Normal actuarial cost method was used. The actuarial assumptions included calculations based on a discount rate of 4.0% for the unfunded liability, expected payroll growth rate of 2.5%, 0% expected rate of return on assets since the plan is not funded, healthcare cost trend rate of 8.25% for 2014 and reduced by 0.5% per year to 4.75% thereafter in 2020, inflation rate of 2.5%, and amortization of the initial unfunded actuarial liability over 30 years based on a level percent of payroll method. The actuarial accrued liability was \$1,146,599 and \$5,192,126 for the County and the School Board, respectively.

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

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits for the County and School Board.

F. Schedule of Funding Progress

Actuarial valuation date July 1, 2014	Actuarial value of assets	Actuarial accrued liability (AAL) project unit	Unfunded actuarial accrued liability	Funding Ratio	Covered Payroll	UAAL as a percentage of covered payroll
Governmental activities	\$ -	1,104,334	1,104,334	-	N/A	N/A
Business-type activities	\$ -	42,265	42,265	-	N/A	N/A
Component Unit - School Board	\$ -	5,192,126	5,192,126	-	N/A	N/A

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

Note 11 – Commitments and Contingent Liabilities

A. *Post Closure Landfill Costs*

State and federal laws and regulations require the County to perform certain continuing maintenance and monitoring functions subsequent to the closure of a landfill site. The County ceased accepting solid waste at its landfill in 1987 and completed initial closure measures in that same year. The County closed its landfill prior to the date mandated by state and federal law and regulation and, therefore, the County is only liable for post-closure monitoring. During fiscal year 2006, the County was deemed to be in violation of the Virginia Solid Waste Management Regulations and the approved Closure Plan. The County submitted a corrective action plan to the Commonwealth's Department of Environmental Quality. During 2008, the County provided for additional financial assurance in the amount of \$1,000,000. The estimated future total cost of the post-closure monitoring and maintenance is \$1,727,308 based on the expected cost for all equipment, facilities and services required to monitor and maintain the landfill post-closure. This represents an increase over the 2012 estimated liability due to increased costs of state permits, increased laboratory fees, the addition of a Post-Closure consulting contract and the need to contract for repairs to the landfill cap. During the fiscal year ended June 30, 2014, the County expended \$50,044 in post-closure costs. The current costs of landfill closure and post closure cure is an estimate subject to changes resulting from inflation, technology or change in applicable laws or regulations.

B. *Underground Storage Tank*

In January 2001, petroleum contamination was encountered on the western edge of the County's complex, which was traced to a leaking 1,000 gallon underground storage tank containing heating oil. The tank was subsequently closed and an investigation was conducted to determine the extent of contamination. Although contamination appeared to be confined to the immediate vicinity, two 4-inch recovery wells and ten 2-inch monitoring wells were installed on the site. On July 2, 2003, the Department of Environmental Quality (DEQ) approved a Corrective Action Plan (CAP) calling for removal of free product by Fluid Vapor Recovery and passive skimmers and periodic sampling of groundwater and tap water. The endpoint for this CAP is a free product thickness of less than 0.01 feet in all wells maintained for six consecutive months. The County must continue to recover free product on a monthly basis and submit CAP Implementation reports on a quarterly basis until this endpoint is met. The DEQ has contracted directly with an outside contractor to continue the monitoring in accordance with the CAP.

C. *Risk Management*

The County and School Board are exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; and natural disasters. For general liability, automobile liability and workers compensation and employers' liability, the County participates with other localities in the Virginia Association of Counties (VACO) Risk Management Program. The VACO Risk Management Program provides counties and county related agencies with insurance coverage for property and liability insurance and risk management services through the Virginia Association of Counties Group Self-Insurance Risk Pool (VACoRP). The County pays an annual premium for its share of the cost of the insurance which includes general liability, product liability and personal injury with a limit of \$5,000,000 for each occurrence; \$5,000,000 combined limit for auto liability and \$1,000,000 limit for workers compensation coverage. The School Board participates in the Virginia School Boards Association Property & Casualty Pool for its general liability and automobile liability with limits of \$1,000,000, respectively, for each occurrence. The School Board's workers' compensation coverage is \$500,000 and the School board has additional excess liability coverage and boiler and machinery coverage with limits of \$9,000,000 and \$10,000,000, respectively.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

Note 11 – Commitments and Contingent Liabilities (Continued)

C. Risk Management (Continued)

There have not been any reductions in insurance coverage for the County or the School Board from the prior year and settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

The School Health Benefits Internal Service Fund was established to account for the School Board's group health insurance. The School Board provides insurance benefits from this fund through its third-party administrator. The School Board pays the basic premiums for the employees' coverage into the fund and allows employees to select additional benefits for themselves and their dependents with premiums paid by the employees for such additional benefits. Contracted insurance providers receive disbursements from the fund based on monthly enrollment and premium calculations. All funds are available to pay claims, claim reserves and administrative costs of the program.

The changes in medical claims liability for fiscal years 2014 and 2013 were:

	<u>2014</u>	<u>2013</u>
Claims liabilities, beginning of year	\$ 789,679	\$ 710,061
Current year claims	5,012,010	5,047,714
Change in prior year claims	456,647	911,144
Claim payments	(4,718,885)	(5,150,215)
Legal, Administrative and other expenses	<u>(784,141)</u>	<u>(729,025)</u>
Claims liabilities, end of year	<u>\$ 755,310</u>	<u>\$ 789,679</u>
Claims liabilities, due in one year	<u>\$ 634,964</u>	<u>\$ 678,374</u>

D. Contingencies

Amounts received or receivable for grants or contracts from outside agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed amounts, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, which may be disallowed by any grantors, cannot be determined at this time, but management of the County believes any such amounts will be immaterial to its financial position.

During the year, the County was involved in legal matters that were settled prior to the release of the financial statements. Those matters were settled for immaterial amounts; therefore, the amounts were not accrued in the accompanying financial statements.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

Note 12 – Jointly Governed Organizations

The County, in conjunction with other localities, created the Western Tidewater Water Authority (Authority), the Western Tidewater Regional Jail Authority (Jail), the Blackwater Regional Library (Library) and the Western Tidewater Community Services Board (WTCSB). The governing bodies of these organizations are appointed by the governing bodies of the participating jurisdictions. During the fiscal year ended June 30, 2014, the County contributed \$160,272 to the operations of the WTCSB \$602,977 to the Library and \$647,123 to the Jail.

In September 2009, the County amended its agreement with the Authority which provides for construction of the Western Branch Pipeline used to convey purchased raw water. The amendment to the contract contains provisions for the Authority to negotiate a water supply agreement between the Cities of Suffolk and Norfolk and the County. Annually, the County pays a fixed charge as an outside customer to the City of Suffolk to reserve the capacity for County's annual water resource requirements. The County also pays a fixed charge to the City of Norfolk for access to its water supply reservoir. The Authority passed through billings of \$2,726,542 to the County for the fixed charges during fiscal year 2014. Additionally, in fiscal year 2014, the County contributed approximately \$522,464 to the Authority for its share of capital costs incurred by the Authority.

Note 13 – Annexation Agreement

The County has entered into an agreement with the City of Franklin (City) whereby the City waived any and all of its rights and power to seek the annexation of the County's territory within a designated area adjacent to the City. In return, the County agreed to share with the City all local tax revenues collected by the County within the designated area using a predetermined formula. For the year ended June 30, 2014, the payments made to the City were \$540,850.

Note 14 – Fund Balances

The County has the following fund balance classifications at June 30, 2014:

	General	Capital Projects	Other Governmental	Total
Nonspendable				
Inventory	\$ -	\$ -	\$ 40,381	\$ 40,381
Notes receivable	670,272	-	-	670,272
Advance to component unit	375,000	-	-	375,000
Restricted for:				
Capital projects	-	13,453,644	-	13,453,644
Community development	22,081	-	140,871	162,952
Public safety	-	-	118,056	118,056
Assigned to:				
Capital projects	-	4,057,047	-	4,057,047
Parks and recreation	-	-	112,238	112,238
Subsequent year's expenditures	165,775	-	-	165,775
Unassigned	15,040,237	-	-	15,040,237
	<u>\$ 16,273,365</u>	<u>\$ 17,510,691</u>	<u>\$ 411,546</u>	<u>\$ 34,195,602</u>

County of Isle of Wight, Virginia

Notes to Basic Financial Statements (Continued)

June 30, 2014

Note 15 – Individual Fund Disclosures

The following functions had excess of expenditures over appropriation during the year ended June 30, 2014:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess Expenditures over Appropriation</u>
General Fund:			
Judicial administration	\$ 527,275	\$ 550,060	\$ (22,785)
Public safety	9,011,904	9,199,110	(187,206)
Debt service	6,934,732	7,597,400	(662,668)

Judicial administration expenditures exceeded appropriation relating to unexpected operating costs for the Fifth District Court service unit. Public safety expenditures exceeded appropriation relating increase operating and contract costs for the emergency services. Debt service expenditures exceeded appropriation relating to increased interest expense as a result of the transfer of General Obligation Bonds from the Public Utilities Enterprise Fund to the Governmental Activities where the General Fund made the debt service payments.

Required Supplementary Information



Local Roots, Global Reach

ISLE OF WIGHT COUNTY, VIRGINIA

County of Isle of Wight, Virginia

Required Supplementary Information
Schedule of Revenues and Expenditures - Budget and Actual -
General Fund

Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Primary Government				
General fund:				
Revenue from local sources:				
General property taxes:				
Real property	\$ 29,174,000	\$ 29,174,000	\$ 29,571,776	\$ 397,776
Real and personal public service corporation property	966,000	966,000	1,069,920	103,920
Personal property	8,900,000	8,900,000	6,959,505	(1,940,495)
Boat/Airplane	140,000	140,000	128,316	(11,684)
Mobile home	160,000	160,000	132,753	(27,247)
Machinery and tools	3,400,000	3,400,000	3,603,109	203,109
Equipment	1,523,929	1,523,929	1,659,699	135,770
Penalties	225,000	225,000	334,094	109,094
Interest and other costs	130,000	130,000	169,745	39,745
Total general property taxes	44,618,929	44,618,929	43,628,917	(990,012)
Other local taxes:				
Local sales and use	2,017,000	2,017,000	2,049,667	32,667
Communications sales and use	1,359,000	1,359,000	1,340,243	(18,757)
Consumer's utility	755,000	755,000	885,039	130,039
Consumption	79,000	79,000	111,956	32,956
Business license	442,000	442,000	443,454	1,454
Motor vehicle licenses	1,031,000	1,031,000	918,844	(112,156)
Recordation and wills	530,000	530,000	586,143	56,143
Lodging	25,000	25,000	21,936	(3,064)
Meals tax	337,000	337,000	330,925	(6,075)
Bank franchise	4,500	4,500	8,836	4,336
Cable franchise	10,284	15,628	8,047	(7,581)
Storm water	609,503	609,503	-	(609,503)
Penalties	4,000	4,000	7,247	3,247
Interest	1,000	1,000	2,313	1,313
Total other local taxes	7,204,287	7,209,631	6,714,650	(494,981)
Permits, fees and licenses:				
Animal licenses	33,264	33,264	25,821	(7,443)
Transfer fees	500	500	1,209	709
Zoning and subdivision fees	30,000	30,000	56,620	26,620
Building permits	200,000	200,000	326,523	126,523
Inspection fees	80,000	80,000	6,370	(73,630)
Concealed weapon permits	6,000	6,000	23,907	17,907
Cash proffers	10,000	14,080	-	(14,080)
Misc permits/fees	6,000	6,000	46,963	40,963
Total permits, fees and licenses	365,764	369,844	487,413	117,569
Fines and forfeitures	61,000	61,000	118,609	57,609
Total fines and forfeitures	61,000	61,000	118,609	57,609
Revenues from use of money and property:				
Revenues from use of money	83,506	83,506	203,076	119,570
Revenues from use of property	80,000	80,000	92,609	12,609
Total revenues from use of money and property	163,506	163,506	295,685	132,179

(Continued)

County of Isle of Wight, Virginia

Required Supplementary Information
Schedule of Revenues and Expenditures - Budget and Actual -
General Fund

Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Charges for services:				
Charges for Commonwealth's Attorney	7,000	7,000	10,081	3,081
Charges for parks and recreation	249,526	292,526	196,160	(96,366)
Charges for building construction court fee	38,000	38,000	46,250	8,250
Charges for law enforcement and other protections	101,350	101,350	116,740	15,390
Charges for emergency medical services	662,000	662,000	900,099	238,099
Charges for maps	500	500	883	383
Total charges for services	1,058,376	1,101,376	1,270,213	168,837
Miscellaneous:				
Miscellaneous	930,646	930,646	172,995	(757,651)
Gifts and donations	-	-	4,033	4,033
Farmers market	-	-	43,166	43,166
QSCB Tax Credit	337,500	337,500	313,200	(24,300)
Recovered costs:				
Indirect cost allocation	70,000	70,000	74,179	4,179
Insurance Reimbursement	-	15,750	15,750	-
Recovered costs	125,000	125,000	184,915	59,915
Other	100,000	100,000	276,685	176,685
Total miscellaneous	1,563,146	1,578,896	1,084,923	(493,973)
Other financing sources:				
Interfund transfers	-	4,537,284	-	(4,537,284)
Proceeds from sale of assets	-	-	80,000	80,000
Total other financing sources	-	4,537,284	80,000	(4,457,284)
Total revenues from local sources	55,035,008	59,640,466	53,680,410	(5,960,056)
Revenue from the Commonwealth				
Noncategorical aid:				
State personal property tax relief	5,115,890	5,115,890	5,115,890	-
Other revenue from the Commonwealth	105,000	105,000	205,947	100,947
Total noncategorical aid	5,220,890	5,220,890	5,321,837	100,947
Categorical aid:				
Shared expenses:				
Commonwealth's Attorney	373,486	373,486	362,345	(11,141)
Sheriff	1,181,607	1,181,607	1,176,844	(4,763)
Commissioner of the Revenue	136,753	136,753	131,887	(4,866)
Treasurer	115,996	115,996	115,753	(243)
Registrar/electoral board	55,665	55,665	41,102	(14,563)
Technology trust fund	14,988	43,316	53,998	10,682
Clerk of the Circuit Court	256,198	256,198	284,849	28,651
Total shared expenses	2,134,693	2,163,021	2,166,778	3,757
Other categorical aid:				
Bicycle/ pedestrian trail	-	320,514	252,087	(68,427)
Fire program funds	65,640	65,640	73,746	8,106
Four for life	36,858	36,858	37,773	915
Litter control	-	9,824	9,824	-
Victim witness	15,540	63,832	44,850	(18,982)
Governor's Develop. Opportunity Fund	-	150,000	150,000	-
Other	-	87,300	13,228	(74,072)
Total other categorical aid	118,038	733,968	581,508	(152,460)
Total categorical aid	2,252,731	2,896,989	2,748,286	(148,703)
Total revenues from the Commonwealth	7,473,621	8,117,879	8,070,123	(47,756)

(Continued)

County of Isle of Wight, Virginia

Required Supplementary Information
Schedule of Revenues and Expenditures - Budget and Actual -
General Fund

Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue from the federal government:				
Home Program	-	-	65,095	65,095
BPV	-	23,576	2,191	(21,385)
DMV Selective Enforcement	-	46,547	24,393	(22,154)
V-STOP	7,699	48,706	17,549	(31,157)
DCR stormwater management	-	76,500	44,632	(31,868)
2010C Build America	-	-	236,685	236,685
Local Emergency Management Relief	-	7,500	7,500	-
Emergency Shelter Enhancement	-	10,575	8,825	(1,750)
Care and confinement	-	-	15	15
Total revenues from the federal government	7,699	213,404	406,885	193,481
Total General Fund revenues and other financing sources	62,516,328	67,971,749	62,157,418	(5,814,331)
General government administration				
Legislative:				
Board of Supervisors	328,457	346,307	340,769	5,538
Total legislative	328,457	346,307	340,769	5,538
General and financial administration:				
Budget and finance	650,828	663,108	548,660	114,448
Commissioner of the Revenue	613,233	613,233	620,795	(7,562)
Communications	93,664	93,664	94,986	(1,322)
County Administrator	454,593	759,830	785,443	(25,613)
County Attorney	485,040	588,249	471,215	117,034
Human resources	220,182	224,139	233,058	(8,919)
Information technology/GIS	868,387	975,192	965,780	9,412
Insurance	493,730	415,730	357,908	57,822
Real estate assessment	16,077	16,077	97,616	(81,539)
Treasurer	593,070	593,216	569,680	23,536
Total general and financial administration	4,488,804	4,942,438	4,745,141	197,297
Board of Elections:				
Registrar/electoral board and officials	236,539	236,539	216,079	20,460
Total Board of Elections	236,539	236,539	216,079	20,460
Total general government administration	5,053,800	5,525,284	5,301,989	223,295
Judicial administration:				
Courts:				
Circuit Court	76,346	76,346	68,755	7,591
General District Court	6,610	6,610	6,894	(284)
Fifth District Court services unit	155,560	155,560	222,730	(67,170)
Juvenile and Domestic Relations District Court	7,890	7,890	5,551	2,339
Clerk of the Circuit Court	460,792	489,799	480,766	9,033
Total courts	707,198	736,205	784,696	(48,491)
Commonwealth's Attorney	527,275	527,275	550,060	(22,785)
Total Commonwealth's Attorney	527,275	527,275	550,060	(22,785)
Total judicial administration	1,234,473	1,263,480	1,334,756	(71,276)

(Continued)

County of Isle of Wight, Virginia

Required Supplementary Information
Schedule of Revenues and Expenditures - Budget and Actual -
General Fund

Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public safety:				
Law enforcement and traffic control:				
Sheriff	3,937,895	3,938,732	3,910,091	28,641
Total law enforcement and traffic control	3,937,895	3,938,732	3,910,091	28,641
Fire and rescue services:				
Emergency services	2,063,802	2,065,747	2,374,921	(309,174)
Station services	77,500	77,500	48,338	29,162
EMS Ambulance Billing	24,600	24,600	18,814	5,786
Volunteer fire department	586,868	588,908	588,908	-
Ambulance and rescue service	597,865	599,905	599,905	-
Total fire and rescue services	3,350,635	3,356,660	3,630,886	(274,226)
Inspections - building	511,114	526,286	527,713	(1,427)
Total inspections - building	511,114	526,286	527,713	(1,427)
Other protection:				
Animal control	358,965	358,965	310,617	48,348
DMV selective enforcement	-	46,547	23,582	22,965
Fifth district community corrections program	10,338	10,338	10,338	-
Fire prevention	42,300	42,300	73,746	(31,446)
Four for life	34,550	34,550	37,773	(3,223)
Byrne JAG	-	2,233	-	2,233
BPV Partnership	-	23,576	4,382	19,194
Western Tidewater Regional Jail	647,123	647,123	647,123	-
Other		24,594	22,859	1,735
Total other protection	1,093,276	1,190,226	1,130,420	59,806
Total public safety	8,892,920	9,011,904	9,199,110	(187,206)
General services:				
Administration:				
General administration (Pub Works)	242,006	242,006	199,429	42,577
Engineering division	256,444	296,017	235,571	60,446
Central permitting	-	46,000	13,333	32,667
Total administration	498,450	584,023	448,333	135,690
Maintenance of highways, streets, bridges and sidewalks:				
Roadway beautification	2,945	2,584	2,584	-
Total maintenance of highways, streets, bridges and sidewalks	2,945	2,584	2,584	-
Sanitation and waste removal:				
Refuse collection	869,456	958,890	958,048	842
Refuse disposal	2,340,972	2,250,666	2,250,768	(102)
Total sanitation and waste removal	3,210,428	3,209,556	3,208,816	740

(Continued)

County of Isle of Wight, Virginia

Required Supplementary Information
Schedule of Revenues and Expenditures - Budget and Actual -
General Fund

Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Maintenance of general buildings and grounds:				
General properties (Bldg&Grds)	1,671,559	1,755,126	1,620,222	134,904
Transportation/maintenance	41,000	41,000	28,847	12,153
Litter control	-	9,824	9,824	-
Generator maintenance	374,928	374,928	376,544	(1,616)
Stormwater management	-	76,500	52,033	24,467
Total maintenance of general buildings and grounds	2,087,487	2,257,378	2,087,470	169,908
Total general services	5,799,310	6,053,541	5,747,203	306,338
Health and welfare:				
Commission on Aging	2,200	2,200	1,710	490
Court Appointed Special Advocate	32,986	32,986	32,986	-
DMV Animal Plates	-	-	930	(930)
Early Childhood Council	29,687	29,687	29,687	-
Genieve Shelter	8,000	8,000	8,000	-
Endependence Center of Tidewater	5,000	5,000	5,000	-
IOW Christian Outreach	6,000	6,000	6,000	-
Isle of Wight Triad	2,780	2,780	2,780	-
Obici/Luter Obesity Reduction Program	-	21,483	1,415	20,068
Senior Services of Southeastern Hampton Roads	48,934	48,934	48,934	-
Suffolk Homeless Shelter	8,000	8,000	8,000	-
Juvenile Accountability	34,872	34,872	5,587	29,285
Western Tidewater Health District	522,464	522,464	522,464	-
Victim witness	15,540	63,832	71,539	(7,707)
V-STOP	7,699	48,706	24,423	24,283
Western Tidewater Community Service Board	160,272	160,272	160,272	-
Western Tidewater Free Clinic	21,000	21,000	21,000	-
Total health and welfare	905,434	1,016,216	950,727	65,489
Education:				
Local contribution	24,226,200	24,412,952	23,126,262	1,286,690
Total education	24,226,200	24,412,952	23,126,262	1,286,690
Parks, recreation and cultural:				
Parks and recreation	1,256,185	1,416,223	1,214,083	202,140
Skating rink	10,000	53,000	29,589	23,411
Bicycle/ pedestrian trail	-	393,059	316,109	76,950
Obici share road signage	-	4,234	-	4,234
Tyler's beach boat	-	44,000	-	44,000
Parks and recreation programs	244,377	244,377	134,330	110,047
Total parks and recreation	1,510,562	2,154,893	1,694,111	460,782
Cultural enrichment:				
Historic Resources Division	211,779	214,972	229,078	(14,106)
Cultural Arts Organizations	5,000	10,000	10,000	-
Association of Preservation of Virginia Antiquities	2,500	2,500	2,500	-
Total cultural enrichment	219,279	227,472	241,578	(14,106)
Library:				
Community College	6,175	6,175	6,175	-
Library administration	602,977	602,977	602,977	-
Total library	609,152	609,152	609,152	-
Total parks, recreation and cultural	2,338,993	2,991,517	2,544,841	446,676

Continued

County of Isle of Wight, Virginia

Required Supplementary Information
Schedule of Revenues and Expenditures - Budget and Actual -
General Fund

Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Community development:				
Planning:				
Planning & Zoning	773,442	776,602	722,589	54,013
Economic development	521,308	521,308	774,422	(253,114)
Tourism	374,432	374,432	371,983	2,449
Farmer's market	-	896	33,018	(32,122)
Governor's Develop Opportunity Grant	-	150,000	150,000	-
Other - Planning	29,620	31,520	29,542	1,978
Annexation settlement payment	530,000	540,850	540,850	-
Other	489,473	3,235,098	106,845	3,128,253
Total planning	2,718,275	5,630,706	2,729,249	2,901,457
Environmental management:				
Total environmental management	-	56	23	33
Cooperative extension program	57,999	57,999	44,130	13,869
Other	-	1,875	71	1,804
Total cooperative extension program	57,999	59,874	44,201	15,673
Total community development	2,776,274	5,690,636	2,773,473	2,917,163
Debt service:				
Principal retirement	3,090,205	3,340,205	2,401,952	938,253
Interest and other charges	3,138,354	3,594,527	5,195,448	(1,600,921)
Total debt service	6,228,559	6,934,732	7,597,400	(662,668)
Other financing uses:				
Transfers to Capital Projects Fund	-	11,122	-	11,122
Transfers to Special Revenue Funds	1,598,942	1,598,942	1,763,908	(164,966)
Transfers to Public Utilities Fund	3,461,423	3,461,423	2,313,266	1,148,157
Total other financing uses	5,060,365	5,071,487	4,077,174	994,313
Total General Fund expenditures and other financing uses	62,516,328	67,971,749	62,652,935	5,318,814
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	(495,517)	(495,517)
Fund balance- beginning of year	16,768,882	16,768,882	16,768,882	-
Fund balance- end of year	\$ 16,768,882	\$ 16,768,882	\$ 16,273,365	\$ (495,517)

County of Isle of Wight, Virginia

Notes to Required Supplementary Information

Year Ended June 30, 2014

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

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The General and Capital Projects Fund budgets include proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department level or category level. Only the Board of Supervisors can revise the appropriation for each department or category. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General, Special Revenue, Capital Projects, and Proprietary funds of the Primary Government and Component Unit - School Board.
6. All budgets are adopted on a basis consistent with U.S. generally accepted accounting principles.
7. Appropriations lapsed on June 30, 2014 for all County units. All unexpended appropriations of the School Board revert back to the County at the end of each fiscal year.
8. The Primary Government have assigned fund balances for subsequent year's years expenditures unless the subsequent year's years expenditures relate to restricted or committed resources.

County of Isle of Wight, Virginia**Required Supplementary Information****Schedule of Funding Progress for Defined Benefit Pension Plans - VRS****Year Ended June 30, 2014**

Actuarial valuation date	Actuarial value of assets	Actuarial accrued liability (AAL)	Unfunded actuarial accrued liability (UAAL)	Funded ratio	Covered payroll	UAAL as a Percentage of covered payroll
County Employees						
6/30/2013	\$ 28,450,316	\$ 35,046,800	\$ 6,596,484	81.18%	\$ 11,282,976	58.46%
6/30/2012	\$ 26,642,546	\$ 35,003,441	\$ 8,360,895	76.11%	\$ 11,091,624	75.38%
6/30/2011	\$ 26,264,070	\$ 33,274,845	\$ 7,010,775	78.93%	\$ 10,509,123	66.71%
School Board - Nonprofessional Employees						
6/30/2013	\$ 4,561,728	\$ 5,564,222	\$ 1,002,494	81.98%	\$ 1,909,362	52.50%
6/30/2012	\$ 4,381,849	\$ 5,533,659	\$ 1,151,810	79.19%	\$ 2,017,030	57.10%
6/30/2011	\$ 4,353,323	\$ 5,276,266	\$ 922,943	82.51%	\$ 2,050,158	45.02%

(Continued)

County of Isle of Wight, Virginia**Required Supplementary Information****Schedule of Funding Progress for Other Post Employment Benefit Plans - OPEB****Year Ended June 30, 2014**

Actuarial valuation date	Actuarial value of assets	Actuarial accrued liability (AAL)	Unfunded actuarial accrued liability (UAAL)	Funded ratio	Covered payroll	UAAL as a Percentage of covered payroll
County Employees						
7/1/2014	\$ -	\$ 1,146,599	\$ 1,146,599	0%	N/A	N/A
7/1/2013	\$ -	\$ 1,584,278	\$ 1,584,278	0%	N/A	N/A
7/1/2012	\$ -	\$ 1,383,668	\$ 1,383,668	0%	N/A	N/A
School Board						
7/1/2014	\$ -	\$ 5,192,126	\$ 5,192,126	0%	N/A	N/A
7/1/2013	\$ -	\$ 7,051,556	\$ 7,051,556	0%	N/A	N/A
7/1/2012	\$ -	\$ 6,495,473	\$ 6,495,473	0%	N/A	N/A



Local Roots, Global Reach

ISLE OF WIGHT COUNTY, VIRGINIA

Other Supplementary Information



Local Roots, Global Reach

ISLE OF WIGHT COUNTY, VIRGINIA

County of Isle of Wight, Virginia

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

Year Ended June 30, 2014

	Capital Projects			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Revenue from use of property	\$ -	\$ -	\$ 28,951	\$ 28,951
Permits, privilege fees and regulatory licenses	-	2,921,676	148,475	(2,773,201)
Miscellaneous		8,515	179,895	171,380
Intergovernmental:				
Commonwealth of Virginia	-	2,247,404	173,836	(2,073,568)
Federal	-	-	23,769	23,769
Total revenues	-	5,177,595	554,926	(4,622,669)
Expenditures				
Capital outlay	4,794,779	20,530,063	18,432,571	2,097,492
Total expenditures	4,794,779	20,530,063	18,432,571	2,097,492
Deficiency of revenues under expenditures	(4,794,779)	(15,352,468)	(17,877,645)	(2,525,177)
Other financing sources (uses)				
Operating transfers in	-	9,922,349	-	(9,922,349)
Transfers to School Board	-	(16,228,397)	-	16,228,397
School Board bond proceeds	-	16,228,397	-	(16,228,397)
Bond proceeds	4,794,779	4,832,571	6,011,099	1,178,528
Total other financing sources (uses), net	4,794,779	14,754,920	6,011,099	(8,743,821)
Net change in fund balance	-	(597,548)	(11,866,546)	(11,268,998)
Fund balances - beginning of year	29,377,237	29,377,237	29,377,237	-
Fund balances - end of year	\$ 29,377,237	\$ 28,779,689	\$ 17,510,691	\$ (11,268,998)



Local Roots, Global Reach

ISLE OF WIGHT COUNTY, VIRGINIA

County of Isle of Wight, Virginia

Year Ended June 30, 2014

The following is a brief description of the nonmajor governmental funds reported by the County:

- The *Department of Social Services Fund* accounts for revenues and expenditures related to services provided to citizens in the community. Revenues are derived from state and federal funding.
- The *Comprehensive Services Fund* accounts for revenues and expenditures related to services provided to the youth of the County. Revenues are derived from state and local funding.
- The *E-911* Fund accounts for revenues and expenditures related to operation of the Emergency Communications Center, which supports all Public Safety Response Agencies of the county. Revenues are derived from local and state collected E911 wireless taxes and recovered costs from the County and the towns of Smithfield and Windsor.
- The *Community Development Block Grant Fund* accounts for revenues and expenditures related to management of the Federal rehabilitation loan program for individuals.
- The *Section 8 Fund* accounts for revenues and expenditures to provide rental assistance and other services to assist first time home buyers. Revenues are derived from Federal funding.
- The *Asset Forfeiture Fund* accounts for monies collected from the seizures of assets connected to the illegal distribution of narcotics according to [§ 19.2-386.22](#) of the *Code of Virginia* and governed by [§ 19.2-386.1-14](#) of the *Code of Virginia* . Revenues are derived from state and local funding.
- The *County Fair Fund* accounts for revenues and expenditures related to services provided to the community to provide entertainment activities emphasizing the agriculture industry of the County. Revenues are derived from charges for services and local funding.
- The *Museum Fund* accounts for revenues and expenditures related to the promotion and maintenance of the County museum. Revenues are derived from charges for services and local funding.

County of Isle of Wight, Virginia

*Combining Balance Sheets -
Nonmajor Governmental Funds*

June 30, 2014

	DSS	Comprehensive Services Fund	E-911 Fund	Community Development Block Grant	Section 8
Assets					
Cash and investments	\$ -	\$ -	\$ -	\$ 140,871	\$ -
Accounts receivable, net	-	1,000	-	-	-
Due from other funds	-	-	1,839	-	-
Due from other governments	96,635	45,256	5,376	-	7,524
Inventory	-	-	-	-	-
Total assets	\$ 96,635	\$ 46,256	\$ 7,215	\$ 140,871	\$ 7,524
Liabilities and Fund Balances					
Accounts payable	\$ 3,204	\$ 24,435	\$ 5,691	\$ -	\$ 113
Accrued expenses	-	-	1,524	-	1,020
Court escrow	-	-	-	-	-
Due to other funds	93,431	21,821	-	-	6,391
Unearned revenues	-	-	-	-	-
Total liabilities	96,635	46,256	7,215	-	7,524
Fund balances					
Nonspendable - inventory	-	-	-	-	-
Restricted	-	-	-	140,871	-
Assigned	-	-	-	-	-
Total fund balances	-	-	-	140,871	-
Total liabilities and fund balances	\$ 96,635	\$ 46,256	\$ 7,215	\$ 140,871	\$ 7,524

County of Isle of Wight, Virginia

*Combining Balance Sheets -
Nonmajor Governmental Funds (Continued)*

June 30, 2014

	Asset Forfeiture Fund	County Fair Fund	Museum Fund	Totals
Assets				
Cash and investments	\$ 194,007	\$ 58,798	\$ 61,075	\$ 454,751
Accounts receivable, net	-	4,930	-	5,930
Due from other funds	-	-	-	1,839
Due from other governments	-	-	-	154,791
Inventory	-	-	40,381	40,381
Total assets	\$ 194,007	\$ 63,728	\$ 101,456	\$ 657,692
Liabilities and Fund Balances				
Accounts payable	\$ 69,231	\$ 1,315	\$ -	\$ 103,989
Accrued expenses	-	-	-	2,544
Court escrow	6,720	-	-	6,720
Due to other funds	-	-	-	121,643
Unearned revenues	-	11,250	-	11,250
Total liabilities	75,951	12,565	-	246,146
Fund balances				
Nonspendable - inventory	-	-	40,381	40,381
Restricted	118,056	-	-	258,927
Assigned	-	51,163	61,075	112,238
Total fund balances	118,056	51,163	101,456	411,546
Total liabilities and fund balances	\$ 194,007	\$ 63,728	\$ 101,456	\$ 657,692

*County of Isle of Wight, Virginia**Combining Statements of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Governmental Funds***Year Ended June 30, 2014**

	DSS	Comprehensive Services Fund	E-911 Fund	Community Development Block Grant	Section 8
Revenues					
Other local taxes	\$ -	\$ -	\$ 125,586	\$ -	\$ -
Uses of money and property	-	-	-	191	-
Charges for services	-	-	-	-	-
Miscellaneous	286	-	20,162	-	-
Intergovernmental:					
Commonwealth	637,863	253,092	93,033	-	-
Federal	1,341,525	-	-	-	88,196
Total revenues	1,979,674	253,092	238,781	191	88,196
Expenditures					
Public safety	-	-	1,029,857	-	-
Health and welfare	2,667,984	474,959	-	-	150,851
Parks, recreation and cultural	-	-	-	-	-
Total expenditures	2,667,984	474,959	1,029,857	-	150,851
Excess (deficiency) of revenues over (under) expenditures	(688,310)	(221,867)	(791,076)	191	(62,655)
Other financing sources					
Operating transfers in	688,310	221,867	791,076	-	62,655
Total other financing sources	688,310	221,867	791,076	-	62,655
Net change in fund balance	-	-	-	191	-
Fund balances - beginning of year	-	-	-	140,680	-
Fund balances - end of year	\$ -	\$ -	\$ -	\$ 140,871	\$ -

*County of Isle of Wight, Virginia**Combining Statements of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Governmental Funds***Year Ended June 30, 2014**

	Asset Forfeitures Fund	County Fair Fund	Museum Fund	Totals
Revenues				
Other local taxes	\$ -	\$ -	\$ -	\$ 125,586
Uses of money and property	-	41,885	-	42,076
Charges for services	-	297,300	11,333	308,633
Miscellaneous	-	36,120	-	56,568
Intergovernmental:				
Commonwealth	99,515	-	-	1,083,503
Federal	210,619	-	-	1,640,340
Total revenues	310,134	375,305	11,333	3,256,706
Expenditures				
Public safety	196,465	-	-	1,226,322
Health and welfare	-	-	-	3,293,794
Parks, recreation and cultural	-	332,067	8,754	340,821
Total expenditures	196,465	332,067	8,754	4,860,937
Excess (deficiency) of revenues over (under) expenditures	113,669	43,238	2,579	(1,604,231)
Other financing sources				
Operating transfers in	-	-	-	1,763,908
Total other financing sources	-	-	-	1,763,908
Net change in fund balance	113,669	43,238	2,579	159,677
Fund balances - beginning of year	4,387	7,925	98,877	251,869
Fund balances - end of year	\$ 118,056	\$ 51,163	\$ 101,456	\$ 411,546

County of Isle of Wight, Virginia

**Combining Statements of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - Nonmajor Governmental Funds**

Year Ended June 30, 2014

	DSS			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Miscellaneous	\$ -	\$ -	\$ 286	\$ 286
Intergovernmental:				
Commonwealth	1,094,513	1,096,733	637,863	(458,870)
Federal	1,442,016	1,439,796	1,341,525	(98,271)
Total revenues	2,536,529	2,536,529	1,979,674	(556,855)
Expenditures				
Health and welfare	3,267,612	3,267,612	2,667,984	599,628
Total expenditures	3,267,612	3,267,612	2,667,984	599,628
Excess (deficiency) of revenues over (under) expenditures	(731,083)	(731,083)	(688,310)	42,773
Other financing sources				
Operating transfers in	731,083	731,083	688,310	(42,773)
Total other financing sources	731,083	731,083	688,310	(42,773)
Net change in fund balance	-	-	-	-
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	\$ -	\$ -	\$ -	\$ -

(Continued)

County of Isle of Wight, Virginia**Combining Statements of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - Nonmajor Governmental Funds****Year Ended June 30, 2014**

	Comprehensive Services Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental:				
Commonwealth	\$ 381,552	\$ 381,552	\$ 253,092	\$ (128,460)
Total revenues	381,552	381,552	253,092	(128,460)
Expenditures				
Health and welfare	701,446	701,446	474,959	226,487
Total expenditures	701,446	701,446	474,959	226,487
Excess (deficiency) of revenues over (under) expenditures	(319,894)	(319,894)	(221,867)	98,027
Other financing sources				
Operating transfers in	319,894	319,894	221,867	(98,027)
Total other financing sources	319,894	319,894	221,867	(98,027)
Net change in fund balance	-	-	-	-
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	\$ -	\$ -	\$ -	\$ -

(Continued)

County of Isle of Wight, Virginia

*Combining Statements of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - Nonmajor Governmental Funds*

Year Ended June 30, 2014

	E911 Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Other local taxes	\$ 540,000	\$ 540,000	\$ 125,586	\$ (414,414)
Miscellaneous	22,194	22,194	20,162	(2,032)
Intergovernmental:				
Commonwealth	90,571	90,571	93,033	2,462
Total revenues	652,765	652,765	238,781	(413,984)
Expenditures				
Public safety	1,121,835	1,125,471	1,029,857	95,614
Total expenditures	1,121,835	1,125,471	1,029,857	95,614
Excess (deficiency) of revenues over (under) expenditures	(469,070)	(472,706)	(791,076)	(318,370)
Other financing sources				
Operating transfers in	469,070	472,706	791,076	318,370
Total other financing sources	469,070	472,706	791,076	318,370
Net change in fund balance	-	-	-	-
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	\$ -	\$ -	\$ -	\$ -

(Continued)

County of Isle of Wight, Virginia**Combining Statements of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - Nonmajor Governmental Funds****Year Ended June 30, 2014**

	Community Development Block Grant			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Use of money and property	\$ -	\$ -	\$ 191	\$ 191
Total revenues	-	-	191	191
Net change in fund balance	-	-	191	191
Fund balances - beginning of year	140,680	140,680	140,680	-
Fund balances - end of year	\$ 140,680	\$ 140,680	\$ 140,871	\$ 191

(Continued)

County of Isle of Wight, Virginia**Combining Statements of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - Nonmajor Governmental Funds****Year Ended June 30, 2014**

	Section 8			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental:				
Federal	\$ 104,029	\$ 104,029	\$ 88,196	\$ (15,833)
Total revenues	104,029	104,029	88,196	(15,833)
Expenditures				
Health and welfare	175,082	175,082	150,851	24,231
Total expenditures	175,082	175,082	150,851	24,231
Excess (deficiency) of revenues over (under) expenditures	(71,053)	(71,053)	(62,655)	8,398
Other financing sources				
Operating transfers in	71,053	71,053	62,655	(8,398)
Total other financing sources	71,053	71,053	62,655	(8,398)
Net change in fund balance	-	-	-	-
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	\$ -	\$ -	\$ -	\$ -

(Continued)

County of Isle of Wight, Virginia**Combining Statements of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - Nonmajor Governmental Funds****Year Ended June 30, 2014****Asset Forfeitures Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental:				
Commonwealth	\$ -	\$ 4,386	\$ 99,515	\$ 95,129
Federal	-	199,794	210,619	10,825
Total revenues	-	204,180	310,134	105,954
Expenditures				
Public safety	-	204,180	196,465	7,715
Total expenditures	-	204,180	196,465	7,715
Excess (deficiency) of revenues over (under) expenditures	-	-	113,669	113,669
Net change in fund balance	-	-	113,669	113,669
Fund balances - beginning of year	4,387	4,387	4,387	-
Fund balances - end of year	\$ 4,387	\$ 4,387	\$ 118,056	\$ 113,669

(Continued)

County of Isle of Wight, Virginia

**Combining Statements of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - Nonmajor Governmental Funds**

Year Ended June 30, 2014

	County Fair Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Use of money and property	\$ 26,750	\$ 26,750	\$ 41,885	\$ 15,135
Charges for services	266,000	266,000	297,300	31,300
Miscellaneous	43,000	43,000	36,120	(6,880)
Total revenues	335,750	335,750	375,305	39,555
Expenditures				
Parks, recreation and cultural	343,592	343,592	332,067	11,525
Total expenditures	343,592	343,592	332,067	11,525
Excess (deficiency) of revenues over (under) expenditures	(7,842)	(7,842)	43,238	51,080
Other financing sources				
Operating transfers in	7,842	7,842	-	(7,842)
Total other financing sources	7,842	7,842	-	(7,842)
Net change in fund balance	-	-	43,238	43,238
Fund balances - beginning of year	7,925	7,925	7,925	-
Fund balances - end of year	\$ 7,925	\$ 7,925	\$ 51,163	\$ 43,238

(Continued)

County of Isle of Wight, Virginia**Combining Statements of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - Nonmajor Governmental Funds****Year Ended June 30, 2014**

	Museum Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Charges for services	\$ 9,000	\$ 9,000	\$ 11,333	\$ 2,333
Total revenues	<u>9,000</u>	<u>9,000</u>	<u>11,333</u>	<u>2,333</u>
Expenditures				
Parks, recreation and cultural	9,000	9,000	8,754	246
Total expenditures	<u>9,000</u>	<u>9,000</u>	<u>8,754</u>	<u>246</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	2,579	2,579
Fund balances - beginning of year	98,877	98,877	98,877	-
Fund balances - end of year	<u>\$ 98,877</u>	<u>\$ 98,877</u>	<u>\$ 101,456</u>	<u>\$ 2,579</u>

(Continued)

County of Isle of Wight, Virginia**Combining Statements of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - Nonmajor Governmental Funds****Year Ended June 30, 2014**

	Totals			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Other local taxes	\$ 540,000	\$ 540,000	\$ 125,586	\$ (414,414)
Use of money and property	26,750	26,750	42,076	15,326
Charges for services	275,000	275,000	308,633	33,633
Miscellaneous	65,194	65,194	56,568	(8,626)
Intergovernmental:				
Commonwealth	1,566,636	1,573,242	1,083,503	(489,739)
Federal	1,546,045	1,743,619	1,640,340	(103,279)
Total revenues	4,019,625	4,223,805	3,256,706	(967,099)
Expenditures				
Public safety	1,121,835	1,329,651	1,226,322	103,329
Health and welfare	4,144,140	4,144,140	3,293,794	850,346
Parks, recreation and cultural	352,592	352,592	340,821	11,771
Total expenditures	5,618,567	5,826,383	4,860,937	965,446
Excess (deficiency) of revenues over (under) expenditures	(1,598,942)	(1,602,578)	(1,604,231)	(1,653)
Other financing sources				
Operating transfers in	1,598,942	1,602,578	1,763,908	161,330
Total other financing sources	1,598,942	1,602,578	1,763,908	161,330
Net change in fund balance	-	-	159,677	159,677
Fund balances - beginning of year	251,869	251,869	251,869	-
Fund balances - end of year	\$ 251,869	\$ 251,869	\$ 411,546	\$ 159,677

*County of Isle of Wight, Virginia**Combining Balance Sheets - Governmental Funds - Component Unit - School Board***June 30, 2014**

Assets	Governmental Funds				Totals
	School Operating Fund	School Capital Projects Fund	School Textbook Fund	School Cafeteria Fund	
Cash and investments	\$ 5,240,844	\$ -	\$ -	\$ 295,188	\$ 5,536,032
Restricted cash	-	6,856,052	-	-	6,856,052
Accounts receivable - net of allowances for uncollectibles	152,387	-	-	10,767	163,154
Inventory	-	-	-	52,371	52,371
Due from primary government	-	1,644,783	-	-	1,644,783
Due from other funds	645,671	-	115,493	59,181	820,345
Due from other governmental units	1,167,341	-	-	-	1,167,341
Total assets	\$ 7,206,243	\$ 8,500,835	\$ 115,493	\$ 417,507	\$ 16,240,078
Liabilities					
Accounts payable	\$ 257,764	\$ 999,112	\$ -	\$ 24,880	\$ 1,281,756
Accrued liabilities	4,692,915	-	-	-	4,692,915
Due to primary government	1,837,488	-	-	-	1,837,488
Due to other funds	174,674	645,671	-	-	820,345
Total liabilities	6,962,841	1,644,783	-	24,880	8,632,504
Fund Balance					
Fund balances:					
Nonspendable: Inventory	-	-	-	52,371	52,371
Restricted: Energy Savings Project (ESCO)	-	6,856,052	-	-	6,856,052
Restricted: Textbooks	-	-	115,493	-	115,493
Committed: School buses	243,402	-	-	-	243,402
Assigned: Food services	-	-	-	340,256	340,256
Total fund balances	243,402	6,856,052	115,493	392,627	7,607,574
Total liabilities and fund balance	\$ 7,206,243	\$ 8,500,835	\$ 115,493	\$ 417,507	\$ 16,240,078

*County of Isle of Wight, Virginia**Reconciliation of Balance Sheets - Component Unit - School Board
to the Statement of Net Position***June 30, 2014**

Total fund balances - School Board - governmental funds	\$ 7,607,574
--	--------------

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

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds, net of
accumulated depreciation.

Non depreciable capital assets	1,619,726
Depreciable capital assets	63,660,863
Accumulated depreciation	<u>(40,293,403)</u>
Depreciable assets, net	<u>23,367,460</u>

Long-term obligations are not due and payable in the current
period and are not reported in in funds

Capital leases	(6,895,000)
Compensated absences	(440,599)
OPEB obligation	(3,487,631)

The internal service fund is used by management to charge the cost of
health benefits. The assets and liabilities of the internal service fund is
included in governmental activities in the Statement of Net Position

	<u>(664,709)</u>
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Total net position- School Board - governmental activities	\$ <u>21,106,821</u>
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County of Isle of Wight, Virginia

*Combining Statements of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds - Component Unit - School Board*

Year Ended June 30, 2014

	Governmental Funds				Total
	School Operating Fund	School Capital Projects Fund	School Textbook Fund	School Cafeteria Fund	
Revenues					
Revenues from use of money and property	\$ 45,132	\$ 1,052	\$ -	\$ 935	\$ 47,119
Charges for services	150,993	-	-	789,999	940,992
Miscellaneous	133,106	-	-	-	133,106
Recovered costs	78,928	-	-	-	78,928
Payment from the Primary Government	22,850,872	13,196,586	275,390	-	36,322,848
Intergovernmental:					
Commonwealth	25,564,540	-	274,660	29,430	25,868,630
Federal	2,302,697	-	-	1,094,345	3,397,042
Total revenues	\$ 51,126,268	\$ 13,197,638	\$ 550,050	\$ 1,914,709	\$ 66,788,665
Expenditures					
Current:					
Administration, attendance and health	2,224,162	-	-	-	2,224,162
Instructional services	39,343,092	-	621,309	-	39,964,401
Operations and maintenance	4,413,648	-	-	-	4,413,648
Pupil transportation	3,073,790	-	-	-	3,073,790
School food services	20,056	-	-	1,940,026	1,960,082
Facilities	-	13,196,586	-	-	13,196,586
Technology	1,808,118	-	-	-	1,808,118
Total expenditures	50,882,866	13,196,586	621,309	1,940,026	66,640,787
Excess (Deficiency) of revenues under expenditures	243,402	1,052	(71,259)	(25,317)	147,878
Other financing sources (uses)					
Proceed from capital leases	-	6,895,000	-	-	6,895,000
Lease issuance costs	-	(40,000)	-	-	(40,000)
Total other financing sources (uses), net	-	6,855,000	-	-	6,855,000
Net change in fund balance	243,402	6,856,052	(71,259)	(25,317)	7,002,878
Fund equity - beginning of year	-	-	186,752	417,944	604,696
Fund equity - end of year	\$ 243,402	\$ 6,856,052	\$ 115,493	\$ 392,627	\$ 7,607,574

*County of Isle of Wight, Virginia**Reconciliation of the Statements of Revenues, Expenditures, and Changes in
Fund Balances to the Statement of Activities - Component Unit - School Board***Year Ended June 30, 2014**

Net change in fund balances - School Board - governmental funds	\$ 7,002,878
--	---------------------

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays and transfers exceed depreciation expense.

Joint activity-transfer of capital assets	1,891,558
Capital outlay	406,910
Depreciation expense	(3,045,224)

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

Proceeds from capital leases	(6,895,000)
Decrease in compensated absences	31,841
Increase in net OPEB obligation	(472,636)

The internal service fund is used by management to charge the cost of health benefits. The net income of the internal service fund is reported with governmental activities in the Statement of Activities.

(456,644)

Change in net position of School Board - governmental activities	\$ (1,536,317)
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<u>(456,644)</u>
<u><u>\$ (1,536,317)</u></u>

County of Isle of Wight, Virginia

*Combining Statements of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - Governmental Funds - Component Unit - School Board*

Year Ended June 30, 2014

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Revenues from use of money and property	\$ 35,000	\$ 36,052	\$ 45,132	\$ 9,080
Charges for services	190,500	190,500	150,993	(39,507)
Miscellaneous	7,500	29,475	133,106	103,631
Recovered costs	25,000	25,000	78,928	53,928
Revenue from the Primary Government	24,226,200	23,950,810	22,850,872	(1,099,938)
Intergovernmental:				
Commonwealth	25,821,242	25,631,961	25,564,540	(67,421)
Federal	2,316,308	2,530,806	2,302,697	(228,109)
Total revenues	52,621,750	52,394,604	51,126,268	(1,268,336)
Expenditures				
Current				
Administration, attendance and health	2,300,151	2,321,306	2,224,162	97,144
Instructional services	40,964,620	40,092,818	39,343,092	749,726
Operations and maintenance	4,438,402	4,438,402	4,413,648	24,754
Pupil transportation	3,315,044	3,615,044	3,073,790	541,254
School food services	-	21,975	20,056	1,919
Technology	1,603,533	1,895,642	1,808,118	87,524
Total expenditures	52,621,750	52,385,187	50,882,866	1,502,321
Net change in fund balance	-	9,417	243,402	233,985
Fund balances (accumulated deficit) - beginning of year	-	-	-	-
Fund balances - end of year	\$ -	\$ 9,417	\$ 243,402	\$ 233,985

(Continued)

County of Isle of Wight, Virginia

**Combining Statements of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - Governmental Funds - Component Unit - School Board (Continued)**

Year Ended June 30, 2014

	School Capital Projects Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Revenues from use of money and property	\$ -	\$ -	\$ 1,052	\$ 1,052
Revenue from the Primary Government	-	13,197,039	13,196,586	(453)
Intergovernmental:				
Federal	-	86,205	-	(86,205)
Total revenues	-	13,283,244	13,197,638	(85,606)
Expenditures				
Current				
Operations and maintenance	-	114,756	-	114,756
Facilities	-	13,168,035	13,196,586	(28,551)
Total expenditures	-	13,282,791	13,196,586	86,205
Excess of revenue over/(under) expenditures	-	453	1,052	599
Other financing sources (uses)				
Proceed from capital leases	-	6,895,000	6,895,000	-
Cost of capital leases	-	(40,000)	(40,000)	-
Total other financing sources (uses)	-	6,855,000	6,855,000	-
Net change in fund balance	-	6,855,453	6,856,052	599
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	\$ -	\$ 6,855,453	\$ 6,856,052	\$ 599

(Continued)

County of Isle of Wight, Virginia**Combining Statements of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - Governmental Funds - Component Unit - School Board (Continued)****Year Ended June 30, 2014**

	School Textbook Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Revenue from the Primary Government	\$ -	\$ 275,390	\$ 275,390	\$ -
Intergovernmental:				
Commonwealth	-	275,390	274,660	(730)
Total revenues	-	550,780	550,050	(730)
Expenditures				
Current				
Instructional services	-	737,532	621,309	116,223
Total expenditures	-	737,532	621,309	116,223
Net change in fund balance	-	(186,752)	(71,259)	115,493
Fund balances - beginning of year	-	186,752	186,752	-
Fund balances - end of year	\$ -	\$ -	\$ 115,493	\$ 115,493

(Continued)

County of Isle of Wight, Virginia

**Combining Statements of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - Governmental Funds - Component Unit - School Board (Continued)**

Year Ended June 30, 2014

	School Cafeteria Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Revenues from use of money and property	\$ 1,145	\$ 1,145	\$ 935	\$ (210)
Charges for services	1,060,559	1,060,559	789,999	(270,560)
Intergovernmental:				
Commonwealth	32,712	32,712	29,430	(3,282)
Federal	1,284,212	1,284,212	1,094,345	(189,867)
Total revenues	2,378,628	2,378,628	1,914,709	(463,919)
Expenditures				
Current				
School food services	2,378,628	2,378,628	1,940,026	438,602
Total expenditures	2,378,628	2,378,628	1,940,026	438,602
Net change in fund balance	-	-	(25,317)	(25,317)
Fund balances - beginning of year	417,944	417,944	417,944	-
Fund balances - end of year	\$ 417,944	\$ 417,944	\$ 392,627	\$ (25,317)

(Continued)

County of Isle of Wight, Virginia

*Combining Statements of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - Governmental Funds - Component Unit - School Board*

Year Ended June 30, 2014

	Totals			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Revenues from use of money and property	\$ 36,145	\$ 37,197	\$ 47,119	\$ 9,922
Charges for services	1,251,059	1,251,059	940,992	(310,067)
Miscellaneous	7,500	29,475	133,106	103,631
Recovered costs	25,000	25,000	78,928	53,928
Revenue from the Primary Government	24,226,200	37,423,239	36,322,848	(1,100,391)
Intergovernmental:				
Commonwealth	25,853,954	25,940,063	25,868,630	(71,433)
Federal	3,600,520	3,901,223	3,397,042	(504,181)
Total revenues	55,000,378	68,607,256	66,788,665	(1,818,591)
Expenditures				
Current				
Administration, attendance and health	2,300,151	2,321,306	2,224,162	97,144
Instructional services	40,964,620	40,830,350	39,964,401	865,949
Operations and maintenance	4,438,402	4,553,158	4,413,648	139,510
Pupil transportation	3,315,044	3,615,044	3,073,790	541,254
School food services	2,378,628	2,400,603	1,960,082	440,521
Facilities	-	13,168,035	13,196,586	(28,551)
Technology	1,603,533	1,895,642	1,808,118	87,524
Total expenditures	55,000,378	68,784,138	66,640,787	2,143,351
Net change in fund balance	-	(176,882)	147,878	324,760
Other financing sources (uses)				
Proceed from capital leases	-	6,895,000	6,895,000	-
Cost of capital leases	-	(40,000)	(40,000)	-
Total other financing sources (uses)	-	6,855,000	6,855,000	-
Net change in fund balance	-	6,678,118	7,002,878	324,760
Fund balances - beginning of year	417,944	604,696	604,696	-
Fund balances - end of year	\$ 417,944	\$ 7,282,814	\$ 7,607,574	\$ 324,760

*County of Isle of Wight, Virginia**Statement of Net Position - Proprietary Fund - Component Unit - School Board***June 30, 2013**

	Assets	<u>School Health Benefits Fund</u>
Current assets		
Cash and cash equivalents - restricted		\$ 81,703
Accounts receivable		8,898
Total current assets		<u>90,601</u>
	Liabilities	
Current liabilities		
Accounts payable		634,964
Unearned revenues		120,346
Total current liabilities		<u>755,310</u>
	Net Position	
Net position - unrestricted		<u>\$ (664,709)</u>

*County of Isle of Wight, Virginia**Statement of Revenues, Expenses, and Changes in Net Position -
Proprietary Fund - Component Unit - School Board***Year Ended June 30, 2014**

	School Health Benefits Fund
Operating revenues	
Recovered costs	\$ 5,002,968
Operating expenses	
Healthcare benefits	5,459,615
Operating loss	(456,647)
Nonoperating revenue	
Revenue from use of money and property	3
Change in net position	(456,644)
Net position - beginning of year	(208,065)
Net position - end of year	\$ (664,709)

*County of Isle of Wight, Virginia**Statement of Cash Flows - Proprietary Fund - Component Unit - School Board***Year Ended June 30, 2014**

	School Health Benefits Fund
Cash flows from operating activities	
Received from customers and users	\$ 5,003,111
Payments to suppliers for goods and services	(5,503,025)
	<hr/>
Net cash used in operating activities	(499,914)
	<hr/>
Cash flows from investing activities	
Interest received	3
	<hr/>
Net cash provided by from investing activities	3
	<hr/>
Change in cash and cash equivalents	(499,911)
Cash and cash equivalents - beginning of year	581,614
	<hr/>
Cash and cash equivalents - end of year	\$ 81,703
	<hr/>
Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	\$ (456,647)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Change in:	
Accounts receivable	(8,898)
Accounts payable and accrued liabilities	(43,410)
Unearned revenue	9,041
	<hr/>
Net cash used in operating activities	\$ (499,914)
	<hr/>

*County of Isle of Wight, Virginia**Combining Statements of Assets and Liabilities - Fiduciary Funds***Year Ended June 30, 2014**

	Special Welfare Funds	Student Activity Funds	Totals Agency Funds
Assets			
Cash and cash equivalents	\$ 42,511	\$ 352,352	\$ 394,863
Liabilities			
Amounts held for social services clients	\$ 42,511	\$ -	\$ 42,511
Amounts held for others	-	352,352	352,352
Total liabilities	\$ 42,511	\$ 352,352	\$ 394,863

County of Isle of Wight, Virginia**Combining Statements of Changes in Assets and Liabilities - Fiduciary Funds****Year Ended June 30, 2014**

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Special Welfare				
Assets				
Cash and cash equivalents	\$ 51,993	78	\$ (9,560)	\$ 42,511
Liabilities				
Amounts held for social services clients	\$ 51,993	\$ 78	\$ (9,560)	\$ 42,511
Student Activities				
Assets				
Cash and cash equivalents	\$ 323,484	\$ 1,600,102	\$ (1,571,234)	\$ 352,352
Liabilities				
Amounts held for others	\$ 323,484	\$ 1,600,102	\$ (1,571,234)	\$ 352,352
Total				
Assets				
Cash and cash equivalents	\$ 375,477	\$ 1,600,180	\$ (1,580,794)	\$ 394,863
Liabilities				
Amounts held for social services clients	\$ 51,993	\$ 78	\$ (9,560)	\$ 42,511
Amounts held for others	323,484	1,600,102	(1,571,234)	352,352
	\$ 375,477	\$ 1,600,180	\$ (1,580,794)	\$ 394,863

*County of Isle of Wight, Virginia**Statements of Net Position- Component Unit - Industrial Development Authority***June 30, 2014**

Assets	
Current assets	
Cash and cash equivalents	\$ 210,430
Due from primary government	174,686
Total current assets	<u>385,116</u>
Noncurrent assets	
Capital lease receivable	103,247
Land held for resale	1,433,285
Capital assets:	
Nondepreciable	10,859,198
Depreciable, net	212,079
Total noncurrent assets	<u>12,607,809</u>
Total assets	<u>12,992,925</u>
Liabilities	
Current liabilities	
Accounts payable	178,575
Escrow payable	1,000
Advance from primary government	375,000
Note payable - current portion	32,818
Total current liabilities	<u>587,393</u>
Noncurrent liabilities	
Note payable - less current portion	56,628
Total liabilities	<u>644,021</u>
Net Position	
Net investment in capital assets	10,981,831
Unrestricted	1,367,073
Total net position	<u>\$ 12,348,904</u>

*County of Isle of Wight, Virginia**Statements of Revenues, Expenses, and Changes in Fund Net Position
Component Unit - Industrial Development Authority***Year Ended June 30, 2014****Operating revenues**

Charges for services	\$ 11,069
Operating grants from the County	174,686
Other revenues	26,345
	<u>212,100</u>

Operating expenses

Operations	183,054
Compensation	4,350
Depreciation	10,163
Total operating expenses	<u>197,567</u>

Operating income

	<u>14,533</u>
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Nonoperating revenues (expenses)

Property rental	27,392
Interest income	8,071
Interest expense	(7,066)
Total nonoperating revenues, net	<u>28,397</u>

Change in net position

	42,930
--	--------

Net position - beginning of year

	<u>12,305,974</u>
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Net position - end of year

	<u><u>\$ 12,348,904</u></u>
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*County of Isle of Wight, Virginia**Statements of Cash Flows - Component Unit - Industrial Development Authority***Year Ended June 30, 2014**

Cash flows from operating activities	
Received from customers and users	\$ 162,414
Payments to suppliers for goods and services	(5,184)
Payments to employees	(4,350)
Net cash provided by operating activities	<u>152,880</u>
Cash flows from capital and related financing activities	
Payment on advances from primary government	(125,000)
Principal payments on notes payable	(30,712)
Interest paid on notes	(7,066)
Net cash used in capital and related financing activities	<u>(162,778)</u>
Cash flows from investing activities	
Interest income	8,071
Principal collections on capital lease receivable	33,113
Rental of property	27,392
Net cash provided by investing activities	<u>68,576</u>
Change in cash and cash equivalents	58,678
Cash and cash equivalents - beginning of year	<u>151,752</u>
Cash and cash equivalents - end of year	<u>\$ 210,430</u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 14,533
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	10,163
Change in accounts receivable	125,000
Change in due from primary government	(174,686)
Change in accounts payable	177,870
Net cash provided by operating activities	<u>\$ 152,880</u>



Local Roots, Global Reach

ISLE OF WIGHT COUNTY, VIRGINIA

County of Isle of Wight, Virginia

Statistical Section Overview

Year Ended June 30, 2014

This part of the County of Isle of Wight's comprehensive annual financial report presents detailed information as context for understanding the information in the financial statements, note disclosures and required supplementary information says about the County's overall financial health.

Contents

Exhibits

Financial Trends

These tables contain trend information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.

C-1 through C-4

Revenue Capacity

These tables contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.

C-5 through C-10

Debt Capacity

These tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue debt in the future.

C-11 through C-12

Demographic and Economic Information

These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

C13

Operating Information

These tables contain information about the County's operation and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

C-14 through C-16

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

*County of Isle of Wight, Virginia**Net Position (Assets) by Component*

Last Ten Fiscal Years					
	2014	2013	2012	2011	2010
Governmental activities					
Net investment in capital assets	\$ 6,086,446	\$ 4,923,554	\$ 9,453,645	\$ 15,381,413	\$ (5,119,903)
Restricted	13,734,652	24,568,034	320,527	349,812	22,703,988
Unrestricted	1,838,926	(5,786,028)	21,960,979	18,615,968	17,675,588
Total governmental activities net position	\$ 21,660,024	\$ 23,705,560	\$ 31,735,151	\$ 34,347,193	\$ 35,259,673
Business-type activities					
Net investment in capital assets	\$(12,140,987)	\$ (8,834,474)	\$ (6,129,102)	\$ (1,661,794)	\$ 88,152
Restricted	-	-	-	-	631,542
Unrestricted	231,761	(2,078,232)	(2,587)	(1,332,945)	-
Total business-type activities net position	\$(11,909,226)	\$(10,912,706)	\$ (6,131,689)	\$ (2,994,739)	\$ 719,694
Primary government					
Net investment in capital assets	\$ (6,054,541)	\$ (3,910,920)	\$ 3,324,543	\$ 13,719,619	\$ (5,031,751)
Restricted	13,734,652	24,568,034	320,527	349,812	23,335,530
Unrestricted	2,070,687	(7,864,260)	21,958,392	17,283,023	17,675,588
Total primary government net position	\$ 9,750,798	\$ 12,792,854	\$ 25,603,462	\$ 31,352,454	\$ 35,979,367

(Continued)

County of Isle of Wight, Virginia

Net Position (Assets) by Component (Continued)

Last Ten Fiscal Years					
	2009	2008	2007	2006	2005
Governmental activities					
Net investment in capital assets	\$ 7,629,388	\$ 9,382,768	\$ 12,936,538	\$ 10,905,026	\$ 11,362,753
Restricted	27,436,029	14,816,245	11,393,907	6,685,306	13,409,255
Unrestricted	4,259,513	19,329,621	22,294,446	24,355,641	12,294,399
Total governmental activities net position	\$ 39,324,930	\$ 43,528,634	\$ 46,624,891	\$ 41,945,973	\$ 37,066,407
Business-type activities					
Net investment in capital assets	\$ 864,915	\$ 6,425,436	\$ 4,030,507	\$ 3,321,270	\$ 3,447,385
Restricted	1,619,337	918,159	859,724	911,938	1,093,386
Unrestricted	-	-	380,734	3,152,360	1,615,721
Total business-type activities net position	\$ 2,484,252	\$ 7,343,595	\$ 5,270,965	\$ 7,385,568	\$ 6,156,492
Primary government					
Net investment in capital assets	\$ 8,494,303	\$ 15,808,204	\$ 16,967,045	\$ 14,226,296	\$ 14,810,138
Restricted	29,055,366	15,734,404	12,253,631	7,597,244	14,502,641
Unrestricted	4,259,513	19,329,621	22,675,180	27,508,001	13,910,120
Total primary government net position	\$ 41,809,182	\$ 50,872,229	\$ 51,895,856	\$ 49,331,541	\$ 43,222,899

County of Isle of Wight, Virginia

Change in Net Position

Last Ten Fiscal Years					
	2014	2013	2012	2011	2010
Expenses					
Governmental activities					
General government	\$ 5,859,778	\$ 6,446,046	\$ 5,571,463	\$ 5,585,577	\$ 4,721,064
Judicial administration	1,334,545	1,198,998	1,078,015	970,228	1,017,192
Public safety	10,856,876	10,360,047	9,999,240	7,454,652	8,228,634
General services	6,444,839	6,979,003	7,072,833	6,604,193	6,479,386
Health and welfare	4,267,056	4,361,198	4,444,284	4,884,843	5,062,126
Education	25,930,462	29,976,658	24,794,008	25,419,456	25,724,901
Parks, recreation and cultural	3,250,023	2,990,630	2,979,591	2,797,390	2,724,759
Community development	2,805,145	3,174,930	5,995,359	1,931,593	2,898,788
Nondepartmental	-	-	1,314,563	1,429,542	1,351,357
Interest on long-term debt	4,507,212	3,979,848	2,792,214	2,080,083	2,619,271
Total governmental activities expenses	65,255,936	69,467,358	66,041,570	59,157,557	60,827,478
Business-type activities					
Public utilities	8,677,215	8,214,531	7,439,824	6,999,024	6,986,865
Stormwater	347,845	-	-	-	-
Total business-type activities expenses	9,025,060	8,214,531	7,439,824	6,999,024	6,986,865
Total primary government expenses	\$ 74,280,996	\$ 77,681,889	\$ 73,481,394	\$ 66,156,581	\$ 67,814,343
Program revenue					
Governmental activities					
Charges for services:					
General government	\$ 682	\$ 758	\$ 123,391	\$ 198,737	\$ 25,863
Judicial administration	174,940	156,543	369,278	149,251	147,275
Public safety	1,518,532	1,154,693	2,155,302	625,612	637,668
General services	-	375,498	408,320	-	4,744
Health and welfare	-	-	77,525	35,446	-
Parks, recreation and cultural	584,689	526,622	585,740	436,303	394,328
Community development	43,357	30,412	134,755	672,840	387,414
Operating grants and contributions	5,718,851	9,526,260	13,330,802	10,676,049	5,655,377
Capital grants and contributions	905,676	150,000	109,489	102,935	1,618,901
Interest rate subsidy	-	257,127	569,315	-	-
Total governmental activities program revenues	8,946,727	12,177,913	17,863,917	12,897,173	8,871,570

(Continued)

County of Isle of Wight, Virginia

Change in Net Position (Continued)

Last Ten Fiscal Years					
	2009	2008	2007	2006	2005
Expenses					
Governmental activities					
General government	\$ 3,410,733	\$ 6,182,728	\$ 4,794,578	\$ 5,800,635	\$ 4,897,964
Judicial administration	1,034,595	857,697	878,317	866,371	794,478
Public safety	8,966,721	6,053,668	6,166,925	5,632,965	5,135,185
General services	6,810,610	5,145,769	4,400,738	3,903,265	3,711,511
Health and welfare	5,143,058	5,025,666	4,894,622	4,340,638	3,824,681
Education	24,360,654	26,964,798	21,036,346	19,336,608	18,249,151
Parks, recreation and cultural	3,526,076	1,279,128	1,856,803	1,494,482	1,339,854
Community development	3,902,800	2,332,420	3,083,356	1,548,527	1,210,072
Nondepartmental	-	-	-	-	-
Interest on long-term debt	2,292,872	2,186,412	2,144,123	2,243,574	2,170,135
Total governmental activities expenses	59,448,119	56,028,286	49,255,808	45,167,065	41,333,031
Business-type activities					
Public utilities	6,273,275	5,581,285	5,137,986	3,247,060	3,496,871
Total business-type activities expenses	6,273,275	5,581,285	5,137,986	3,247,060	3,496,871
Total primary government expenses	\$ 65,721,394	\$ 61,609,571	\$ 54,393,794	\$ 48,414,125	\$ 44,829,902
Program revenue					
Governmental activities					
Charges for services:					
General government	\$ 11,162	\$ 1,693	\$ 242,086	\$ 66,864	\$ 342,958
Judicial administration	91,288	201,653	148,848	180,914	151,949
Public safety	833,366	721,630	704,337	520,015	563
General services	4,080	2,520	3,480	4,320	4,620
Health and welfare	-	-	75,030	77,925	-
Parks, recreation and cultural	357,218	263,158	260,831	258,788	404,313
Community development	281,552	76,791	140,302	2,314	1,543
Operating grants and contributions	6,617,823	7,292,110	5,581,783	3,199,313	7,716,360
Capital grants and contributions	161,236	183,662	-	-	-
Interest rate subsidy	-	-	-	-	-
Total governmental activities program revenues	8,357,725	8,743,217	7,156,697	4,310,453	8,622,306

(Continued)

Change in Net Position (Continued)

Last Ten Fiscal Years					
	2014	2013	2012	2011	2010
Business-type activities					
Charges for services	5,206,661	3,080,643	2,856,747	2,902,184	2,708,017
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	481,900	467,939	1,415,036	360,504	585,994
Total business-type activities program revenues	5,688,561	3,548,582	4,271,783	3,262,688	3,294,011
Total primary government program revenues	14,635,288	15,726,495	22,135,700	16,159,861	12,165,581
Net expense - governmental activities:	56,309,209	57,289,445	48,177,653	46,260,384	51,955,908
Net expense - business-type activities:	3,336,499	4,665,949	3,168,041	3,736,336	3,692,854
Total primary government net expense	59,645,708	61,955,394	51,345,694	49,996,720	55,648,762
General revenues and other changes in net position					
Governmental activities					
Taxes					
Property taxes	\$ 48,365,143	\$ 42,408,465	\$ 38,130,254	\$ 38,254,048	\$ 38,081,388
Permits, fees and licenses	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Other taxes	7,046,183	6,709,396	6,200,597	6,582,549	5,898,162
Unrestricted grants and contributions	-	-	-	-	5,115,890
Recovered costs	-	-	-	-	-
Investment earnings	324,636	909,387	1,066,841	196,774	627,179
Miscellaneous	840,977	-	397,920	314,533	74,328
Gain on sale of assets	-	163,555	(23,789)	-	-
Transfers	(2,313,266)	-	-	-	(1,906,296)
Total governmental activities	54,263,673	50,190,803	45,771,823	45,347,904	47,890,651
Business-type activities					
Investment earnings	16,438	47,754	27,205	21,903	-
Connection fees	-	-	-	-	-
Gain on sale of assets	10,275	-	-	-	-
Miscellaneous	-	-	3,886	-	-
Transfers	2,313,266	-	-	-	1,928,296
Total business-type activities	2,339,979	47,754	31,091	21,903	1,928,296
Total primary government	\$ 56,603,652	\$ 50,238,557	\$ 45,802,914	\$ 45,369,807	\$ 49,818,947
Change in net position					
Governmental activities	(2,045,536)	(7,098,642)	(2,405,830)	(912,480)	(4,065,257)
Business-type activities	(996,520)	(4,618,195)	(3,136,950)	(3,714,433)	(1,764,558)
Total primary government	\$ (3,042,056)	\$ (11,716,837)	\$ (5,542,780)	\$ (4,626,913)	\$ (5,829,815)

(Continued)

Change in Net Position (Continued)

Last Ten Fiscal Years					
	2009	2008	2007	2006	2005
Business-type activities					
Charges for services	2,014,246	1,750,406	1,755,893	1,661,105	1,461,352
Operating grants and contributions	-	-	96,200	-	-
Capital grants and contributions	609,989	642,005	-	-	-
Total business-type activities program revenues	2,624,235	2,392,411	1,852,093	1,661,105	1,461,352
Total primary government program revenues	10,981,960	11,135,628	9,008,790	5,971,558	10,083,658
Net expense - governmental activities:	51,090,394	47,285,069	42,099,111	40,856,612	32,710,725
Net expense - business-type activities:	3,649,040	3,188,874	3,285,893	1,585,955	2,035,519
Total primary government net expense	54,739,434	50,473,943	45,385,004	42,442,567	34,746,244
General revenues and other changes in net position					
Governmental activities					
Taxes					
Property taxes	\$ 38,665,135	\$ 36,374,761	\$ 35,199,045	\$ 31,333,628	\$ 30,088,119
Permits, fees and licenses	426,074	-	705,195	1,567,278	1,222,849
Fines and forfeitures	86,997	-	-	411	703
Other taxes	6,248,462	6,393,256	6,080,588	6,411,933	5,706,731
Unrestricted grants and contributions	5,218,907	5,372,245	5,763,882	7,968,456	2,194,434
Recovered costs	-	-	224,213	127,074	144,867
Investment earnings	562,017	1,161,393	1,758,751	1,222,794	885,272
Miscellaneous	45,572	133,040	58,555	33,403	10,144
Gain on sale of assets	-	5,882	-	-	-
Transfers	(4,366,474)	(5,251,765)	(3,012,200)	(2,928,799)	(283,197)
Total governmental activities	46,886,690	44,188,812	46,778,029	45,736,178	39,969,922
Business-type activities					
Investment earnings	-	-	-	21,383	21,000
Connection fees	-	-	1,164,379	2,790,662	3,188,875
Gain on sale of assets	-	2,025	-	-	-
Miscellaneous	-	-	32,000	2,986	9,448
Transfers	(1,210,303)	4,282,478	(25,089)	-	283,197
Total business-type activities	(1,210,303)	4,284,503	1,171,290	2,815,031	3,502,520
Total primary government	\$ 45,676,387	\$ 48,473,315	\$ 47,949,319	\$ 48,551,209	\$ 43,472,442
Change in net position					
Governmental activities	(4,203,704)	(3,096,257)	4,678,918	4,879,566	7,259,197
Business-type activities	(4,859,343)	1,095,629	(2,114,603)	1,229,076	1,467,001
Total primary government	\$ (9,063,047)	\$ (2,000,628)	\$ 2,564,315	\$ 6,108,642	\$ 8,726,198

County of Isle of Wight, Virginia

Fund Balances - Governmental Funds

Last Ten Fiscal Years					
	2014	2013	2012	2011	2010
General fund					
Designated	\$ -	\$ -	\$ -	\$ -	\$ 2,518,642
Undesignated	-	-	-	-	17,045,858
Total general fund	\$ -	\$ -	\$ -	\$ -	\$ 19,564,500
All other governmental funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 31,574
Unreserved, reported in	-	-	-	-	-
Special revenue funds	-	-	-	-	298,329
Capital projects funds	-	-	-	-	22,703,988
Total all other governmental funds	\$ -	\$ -	\$ -	\$ -	\$ 23,033,891

(Continued)

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General Fund				
Non Spendable:				
Non Spendable	\$ 1,045,272	\$ 89,446	\$ 120,158	\$ 148,990
Spendable:				
Restricted	22,081	29,650	29,650	29,650
Assigned	165,775	255,878	632,588	489,228
Unassigned	15,040,237	16,393,908	18,513,870	19,807,133
Total General Fund	\$ 16,273,365	\$ 16,768,882	\$ 19,296,266	\$ 20,475,001
All other Government funds				
Non Spendable:				
Non Spendable	\$ 40,381	\$ 40,595	\$ 40,215	\$ 40,430
Spendable:				
Restricted	13,712,571	24,568,034	29,041,335	38,040,517
Assigned	4,169,285	5,020,477	5,377,105	1,544,284
Total all other government funds	\$ 17,922,237	\$ 29,629,106	\$ 34,458,655	\$ 39,625,231

*County of Isle of Wight, Virginia**Fund Balances - Governmental Funds (Continued)*

Last Ten Fiscal Years					
	2009	2008	2007	2006	2005
General fund					
Designated	\$ 3,414,895	\$ 8,908,921	\$ 9,920,089	\$ 10,828,260	\$ 7,480,540
Undesignated	13,036,057	13,343,356	13,448,031	14,982,480	15,632,282
Total general fund	\$ 16,450,952	\$ 22,252,277	\$ 23,368,120	\$ 25,810,740	\$ 23,112,822
All other governmental funds					
Reserved	\$ 29,441	\$ 9,181	\$ 21,677	\$ 28,940	\$ 18,672
Unreserved, reported in					
Special revenue funds	502,420	642,624	395,315	710,402	711,619
Capital projects funds	27,436,029	12,402,711	11,177,979	6,273,860	8,304,865
Total all other governmental funds	\$ 27,967,890	\$ 13,054,516	\$ 11,594,971	\$ 7,013,202	\$ 9,035,156

County of Isle of Wight, Virginia

Changes in Fund Balance - Governmental Funds

Last Ten Fiscal Years					
	2014	2013	2012	2011	2010
Revenues					
General property taxes	\$ 43,628,917	\$ 37,158,645	\$ 38,024,532	\$ 37,864,858	\$ 38,385,088
Other local taxes	6,840,236	6,616,219	6,301,083	6,582,549	5,898,162
Permits, fees and licenses	635,888	1,710,818	380,302	443,308	407,410
Fines and forfeitures	118,609	105,191	85,598	75,813	60,345
Revenue from use of property	366,712	909,387	1,066,841	196,774	627,179
Charges for services	1,578,846	2,859,255	1,620,896	1,599,068	1,091,590
Miscellaneous	1,321,386	217,987	524,121	309,404	122,347
Recovered costs	9,327,462	-	-	-	595,391
Intergovernmental	2,070,994	12,625,247	15,591,979	10,778,984	12,382,619
Total revenues	65,889,050	62,202,749	63,595,352	57,850,758	59,570,131
Expenditures					
General governmental administration	5,301,989	4,869,180	4,814,890	4,292,762	4,822,494
Judicial administration	1,334,756	1,198,998	1,058,580	970,228	1,017,192
Public safety	10,425,432	9,973,620	8,655,939	6,770,494	6,844,989
General Services	5,747,203	5,929,766	10,110,789	6,155,695	5,938,395
Health and welfare	4,244,521	4,299,377	951,649	4,785,833	5,019,248
Education	23,126,262	25,679,304	26,268,626	25,004,954	25,058,724
Parks, recreation and cultural	2,885,662	2,629,412	2,633,606	2,443,506	2,482,008
Community development	2,773,473	3,143,003	5,995,716	1,897,246	1,797,791
Nondepartmental	-	-	1,314,563	1,429,542	1,351,357
Capital projects	18,432,571	9,489,014	5,035,723	12,947,475	20,491,939
Debt service					
Principal	2,401,952	3,173,957	31,516	380,000	1,534,551
Interest	5,195,448	4,592,524	2,784,497	2,312,636	1,750,465
Issuance costs	-	285,487	284,568	289,453	253,168
Total expenditures	81,869,269	75,263,642	69,940,662	69,679,824	78,362,321
Excess of revenues over (under) expenditures	(15,980,219)	(13,060,893)	(6,345,310)	(11,829,066)	(18,792,190)
Other financing sources (uses)					
Transfers in	1,763,908	3,127,894	1,826,748	1,789,120	1,607,891
Transfers out	(4,077,174)	(3,127,894)	(1,826,748)	(1,789,120)	(3,514,187)
Proceeds from borrowing	6,011,099	26,044,679	-	43,654,158	18,878,035
Payments to escrow agent	80,000	(22,473,109)	-	(14,137,039)	-
Total other financing sources (uses)	3,777,833	3,571,570	-	29,517,119	16,971,739
Net change in fund balance	\$ (12,202,386)	\$ (9,489,323)	\$ (6,345,310)	\$ 17,688,053	\$ (1,820,451)
					(Continued)
Debt service as a percentage of noncapital expenditures	12%	12%	5%	5%	6%

County of Isle of Wight, Virginia

Changes in Fund Balance - Governmental Funds (Continued)

Last Ten Fiscal Years					
	2009	2008	2007	2006	2005
Revenues					
General property taxes	\$ 39,132,235	\$ 36,455,016	\$ 34,738,809	\$ 31,455,053	\$ 30,000,161
Other local taxes	6,248,462	6,393,256	6,080,588	5,925,247	5,228,825
Permits, fees and licenses	426,074	422,715	705,195	1,567,278	1,222,849
Fines and forfeitures	86,997	102,098	47,800	64,880	46,754
Revenue from use of property	562,017	1,209,977	1,764,813	1,222,794	885,272
Charges for services	1,043,664	826,949	925,316	646,836	272,278
Miscellaneous	136,831	422,807	240,246	112,016	244,104
Recovered costs	755,480	580,925	683,004	507,199	520,139
Intergovernmental	11,173,159	11,893,008	11,306,981	11,590,021	10,367,083
Total revenues	59,564,919	58,306,751	56,492,752	53,091,324	48,787,465
Expenditures					
General governmental administration	5,841,246	4,776,697	4,240,227	4,653,439	3,664,790
Judicial administration	1,034,595	857,697	878,317	866,371	790,197
Public safety	8,341,561	6,580,696	5,676,894	4,748,296	4,593,177
General Services	6,359,832	5,131,709	4,064,393	3,780,746	3,738,631
Health and welfare	5,105,498	4,969,514	4,831,783	4,198,322	3,689,141
Education	23,508,520	21,788,354	18,701,537	16,654,576	14,870,161
Parks, recreation and cultural	4,297,093	2,026,518	1,871,428	1,453,286	1,491,348
Community development	3,828,750	3,568,838	1,777,156	1,501,480	1,038,563
Nondepartmental	1,338,618	1,249,397	1,133,400	1,534,907	1,051,501
Capital projects	-	7,708,392	4,185,235	5,765,123	22,384,972
Debt service					
Principal	4,316,323	3,947,613	4,727,013	4,529,512	3,740,228
Interest	2,407,157	2,229,008	2,236,220	2,373,585	2,170,134
Issuance costs	352,213	47,400	-	42,970	2,875
Total expenditures	66,731,406	64,881,833	54,323,603	52,102,613	63,225,718
Excess of revenues over (under) expenditures	(7,166,487)	(6,575,082)	2,169,149	988,711	(14,438,253)
Other financing sources (uses)					
Transfers in	30,884,999	14,495,362	10,536,626	6,810,406	4,686,313
Transfers out	(39,709,180)	(17,576,578)	(10,566,626)	(7,181,826)	(4,919,477)
Proceeds from borrowing	25,102,717	10,000,000	-	58,675	255,681
Payments to escrow agent	-	-	-	-	-
Total other financing sources (uses)	16,278,536	6,918,784	(30,000)	(312,745)	22,517
Net change in fund balance	\$ 9,112,049	\$ 343,702	\$ 2,139,149	\$ 675,966	\$ (14,415,736)
Debt service as a percentage of noncapital expenditures	11%	11%	14%	15%	14%

*County of Isle of Wight, Virginia**Assessed Value and Estimated Actual Value of Taxable Property***Last Ten Fiscal Years**

Fiscal Year	Residential Property	Commercial / Industrial Property	Agriculture Property	(1) Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2014	\$ 3,239,296,300	\$ 665,825,700	\$ 242,072,000	\$ 4,147,194,000	\$ 0.73	\$ 4,147,194,000	100%
2013	\$ 3,187,589,700	\$ 648,094,500	\$ 245,103,000	\$ 4,080,787,200	\$ 0.65	\$ 4,080,787,200	100%
2012	\$ 3,380,104,000	\$ 642,766,300	\$ 252,515,900	\$ 4,275,386,200	\$ 0.65	\$ 4,275,386,200	100%
2011	\$ 3,383,219,600	\$ 648,572,200	\$ 651,867,200	\$ 4,683,659,000	\$ 0.52	\$ 4,683,659,000	100%
2010	\$ 3,505,342,600	\$ 671,872,400	\$ 666,436,200	\$ 4,843,651,200	\$ 0.52	\$ 4,843,651,200	100%
2009	\$ 3,483,983,000	\$ 622,787,400	\$ 684,778,700	\$ 4,791,549,100	\$ 0.52	\$ 4,791,549,100	100%
2008	\$ 3,305,409,700	\$ 565,071,500	\$ 465,626,600	\$ 4,336,107,800	\$ 0.52	\$ 4,336,107,800	100%
2007	\$ 3,101,569,900	\$ 513,599,500	\$ 491,224,800	\$ 4,106,394,200	\$ 0.53	\$ 4,106,394,200	100%
2006	\$ 2,013,888,400	\$ 387,838,300	\$ 394,450,700	\$ 2,796,177,400	\$ 0.68	\$ 2,796,177,400	100%
2005	\$ 1,924,066,025	\$ 358,005,900	\$ 403,887,900	\$ 2,685,959,825	\$ 0.68	\$ 2,685,959,825	100%

(1) Does not reflect land use assessments.

Source: Isle of Wight County Commissioner of Revenue

*County of Isle of Wight, Virginia**Assessed Value of Taxable Property (4)***Last Ten Fiscal Years**

Fiscal Year	Real Estate (1)	Personal Property	Mobile Homes	Machinery and Tools	Public Service (2)(3)	Total
2014	\$ 4,147,194,000	\$ 376,396,647	\$ 19,875,446	\$ 503,480,949	\$ 142,459,577	\$ 5,189,406,619
2013	\$ 4,070,990,990	\$ 353,861,037	\$ 19,586,906	\$ 380,157,383	\$ 141,582,514	\$ 4,966,178,830
2012	\$ 4,287,008,000	\$ 310,527,887	\$ 20,398,831	\$ 279,087,266	\$ 125,549,557	\$ 5,022,571,541
2011	\$ 4,245,268,423	\$ 304,164,506	\$ 19,902,737	\$ 704,140,467	\$ 238,256,420	\$ 5,511,732,553
2010	\$ 4,410,701,000	\$ 313,455,361	\$ 22,572,521	\$ 768,126,945	\$ 216,191,065	\$ 5,731,046,892
2009	\$ 4,359,684,973	\$ 319,490,754	\$ 21,850,013	\$ 768,109,446	\$ 199,316,241	\$ 5,668,451,427
2008	\$ 3,968,971,300	\$ 295,835,165	\$ 26,153,828	\$ 744,812,445	\$ 218,043,560	\$ 5,253,816,298
2007	\$ 3,879,182,779	\$ 283,389,074	\$ 22,902,248	\$ 688,302,371	\$ 177,306,412	\$ 5,051,082,884
2006	\$ 2,626,671,100	\$ 239,166,064	\$ 26,328,256	\$ 676,290,770	\$ 202,190,306	\$ 3,770,646,496
2005	\$ 2,480,667,825	\$ 236,549,885	\$ 27,337,298	\$ 641,083,966	\$ 190,291,597	\$ 3,575,930,571

- (1) Real estate is assessed at 100% of fair market value.
- (2) Assessed values are established by the State Corporation Commission.
- (3) Real estate and personal property.
- (4) The assessed values listed are net of supplement and abatement activity

*County of Isle of Wight, Virginia**Property Tax Rates**Tax Rates Per Hundred Dollars of Assessed Valuation***Last Ten Fiscal Years**

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Boats and Aircraft/ Farm Machinery
2014	\$ 0.73	\$ 4.50	\$ 0.73	\$ 0.70	\$ 1.00/1.00
2013	\$ 0.65	\$ 4.50	\$ 0.65	\$ 0.70	\$ 1.00/1.00
2012	\$ 0.65	\$ 4.50	\$ 0.65	\$ 0.95	\$ 1.00/1.00
2011	\$ 0.52	\$ 4.40	\$ 0.52	\$ 0.95	\$ 1.00/1.00
2010	\$ 0.52	\$ 4.40	\$ 0.52	\$ 0.95	\$ 1.00/1.00
2009	\$ 0.52	\$ 4.40	\$ 0.52	\$ 0.95	\$ 1.00/1.00
2008	\$ 0.52	\$ 4.40	\$ 0.52	\$ 0.95	\$ 1.00/1.00
2007	\$ 0.53	\$ 4.40	\$ 0.53	\$ 0.95	\$ 1.00/1.00
2006	\$ 0.68	\$ 4.40	\$ 0.68	\$ 0.95	\$ 1.00/1.00
2005	\$ 0.68	\$ 4.40	\$ 0.68	\$ 0.95	\$ 1.00/1.00

County of Isle of Wight, Virginia

Principal Property Taxpayers

Current year and Nine Years Ago

Taxpayer	2014			2005		
	Assessed Valuation Real Estate	Rank	Percent of Total Assessed Valuation Real Estate	Assessed Valuation Real Estate	Rank	Percent of Total Assessed Valuation Real Estate
International Paper	\$ 109,368,400	1	2.64%	\$ 66,826,877	1	2.69%
Inland RI Holdings LLC etals	41,871,600	2	1.01%	-	-	0.00%
Smithfield Foods	41,843,900	3	1.01%	21,947,200	3	0.88%
Gwaltney of Smithfield, Ltd.	30,293,000	4	0.73%	18,383,200	4	0.74%
Eagle Harbor Apartments, LP	25,600,000	5	0.62%	-	-	0.00%
Sentara Healthcare	14,669,700	6	0.35%	-	-	0.00%
LDI Virginia LLC	14,417,900	7	0.35%	-	-	0.00%
Cypress Creek Dev. Co. LLC	14,106,100	8	0.34%	-	-	0.00%
Eagle Harbor LLC	13,646,300	9	0.33%	8,250,301	8	0.33%
Eagle Harbor Apartments II, LP	13,015,000	10	0.31%	-	-	0.00%
Cost Plus, Inc.	-	-	0.00%	36,898,050	2	1.49%
Smithfield Packing Co., Inc.	-	-	0.00%	15,708,417	5	0.63%
Carolina Cold Storage Ltd.	-	-	0.00%	10,200,500	6	0.41%
Smithfield-Carroll's Farms	-	-	0.00%	11,028,800	7	0.44%
Eagle Harbor Shopping Center	-	-	0.00%	7,554,725	9	0.30%
Bradford Mews	-	-	0.00%	7,119,800	10	0.29%
	\$ 318,831,900		7.69%	\$ 203,917,870		8.21%

Taxpayer	2014			2005		
	Assessed Valuation Personal Property	Rank	Percent of Total Assessed Valuation Personal Property (1)	Assessed Valuation Personal Property	Rank	Percent of Total Assessed Valuation Personal Property (1)
International Paper	\$ 334,829,154	1	32.13%	\$ 512,828,385	1	56.67%
Gwaltney of Smithfield Ltd.	95,584,475	2	9.17%	38,803,187	3	4.29%
Keuring Green Mountain Inc	61,085,927	3	5.86%	-	-	0.00%
Cost Plus, Inc.	7,317,150	4	0.70%	3,769,257	8	0.42%
Premium Pet Health LLC	3,328,317	5	0.32%	-	-	0.00%
Food Lion	2,565,199	6	0.25%	-	-	0.00%
Charter Communications	1,479,339	7	0.14%	-	-	0.00%
C R England	2,455,906	8	0.24%	-	-	0.00%
NMHG Financial Services Inc	2,438,519	9	0.23%	-	-	0.00%
Bay Sand	2,067,585	10	0.20%	-	-	0.00%
Smithfield Packing Co., Inc.	-	-	0.00%	51,539,397	2	5.70%
Aconcagua Timber Corp.	-	-	0.00%	13,045,526	4	1.44%
Smithfield Foods	-	-	0.00%	8,755,451	5	0.97%
Franklin Equipment Co.	-	-	0.00%	6,445,238	6	0.71%
Specialty Minerals	-	-	0.00%	6,370,263	7	0.70%
Smithfield Ham & Products Co.	-	-	0.00%	2,789,398	9	0.31%
Hollerbach Andres & Grap Equipment	-	-	0.00%	2,512,560	10	0.28%
	\$ 513,151,571		49.24%	\$ 646,858,662		71.48%

(1) Includes personal property, mobile homes, and machinery and tools.



Local Roots, Global Reach

ISLE OF WIGHT COUNTY, VIRGINIA

*County of Isle of Wight, Virginia**Property Tax Levies and Collections***Last Ten Fiscal Years**

Fiscal Year	Total (3) Tax Levy	Current Tax (1) Collections	Percent of Levy Collected	Delinquent (1)(2) Tax Collections	(4) Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1)	Percent of Delinquent Taxes to Tax Levy
2014	\$ 44,218,554	\$ 42,859,922	96.93%	\$ 1,358,632	\$ 44,043,677	99.60%	\$ 1,875,008	4.24%
2013	\$ 39,022,902	\$ 37,912,561	97.15%	\$ 1,092,333	\$ 37,276,878	95.53%	\$ 1,498,059	3.84%
2012	\$ 38,146,295	\$ 37,009,730	97.02%	\$ 1,136,565	\$ 38,155,848	100.03%	\$ 740,634	1.94%
2011	\$ 37,800,619	\$ 36,741,218	97.20%	\$ 1,059,401	\$ 38,021,111	100.58%	\$ 1,088,242	2.88%
2010	\$ 38,229,341	\$ 37,103,403	97.05%	\$ 1,125,938	\$ 38,463,274	100.61%	\$ 2,021,149	5.29%
2009	\$ 39,119,371	\$ 37,700,668	96.37%	\$ 1,431,558	\$ 39,132,235	100.03%	\$ 2,236,992	5.72%
2008	\$ 36,629,733	\$ 35,338,546	96.48%	\$ 1,116,470	\$ 36,455,016	99.52%	\$ 2,115,219	5.77%
2007	\$ 34,875,852	\$ 33,657,328	96.51%	\$ 1,081,481	\$ 34,738,809	99.61%	\$ 1,931,984	5.54%
2006	\$ 31,158,439	\$ 30,241,183	97.06%	\$ 1,213,870	\$ 31,455,053	100.95%	\$ 1,240,956	3.98%
2005	\$ 29,480,328	\$ 28,801,462	97.70%	\$ 1,198,654	\$ 30,000,116	101.76%	\$ 1,000,200	3.39%

- (1) Exclusive of penalties and interest. Includes Commonwealth's reimbursement for personal property taxes and balance outstanding.
- (2) Does not include land redemptions.
- (3) Represents fully supplemented and abated tax levy amounts.
- (4) Represents total taxes collected in fiscal year for all tax years.

*County of Isle of Wight, Virginia**Taxable Sales by Category***Last Ten Fiscal Years**

	2014	2013	2012	2011	2010
Apparel stores	\$ 3,390,204	\$ 2,577,049	\$ 3,248,038	\$ -	\$ 2,556,980
General merchandise	16,305,494	17,733,688	11,841,685	11,710,358	14,918,672
Food stores	67,184,591	66,740,132	61,823,527	63,183,444	74,800,531
Eating and drinking establishments	27,356,817	28,035,436	26,704,871	27,138,019	32,607,044
Home furnishings and appliances	1,506,054	1,578,689	4,510,823	2,058,879	2,481,550
Building materials and farm tools	9,266,806	11,080,360	8,547,370	8,051,507	11,615,775
Auto dealers and supplies	3,891,078	3,662,321	4,091,794	4,064,402	5,287,732
Service stations	9,937,560	9,897,012	10,059,667	8,206,374	15,614,464
Other retail stores	6,725,858	6,528,091	16,683,719	11,806,647	9,613,885
All other outlets	56,617,257	52,632,271	45,568,767	51,916,137	74,411,889
	\$202,181,719	\$ 200,465,049	\$ 193,080,261	\$ 188,135,767	\$ 243,908,522

(Continued)

*County of Isle of Wight, Virginia**Taxable Sales by Category (Continued)*

Last Ten Fiscal Years					
	2009	2008	2007	2006	2005
Apparel stores	\$ 3,758,328	\$ 3,184,117	\$ 2,150,512	\$ 3,410,503	\$ 2,463,372
General merchandise	12,228,829	16,115,703	18,559,292	13,163,881	13,713,028
Food stores	60,905,257	61,204,656	54,501,587	48,032,908	55,664,066
Eating and drinking establishments	23,713,146	21,443,858	21,019,435	19,887,741	21,033,780
Home furnishings and appliances	2,306,325	2,672,545	3,379,379	3,635,937	3,994,726
Building materials and farm tools	11,676,999	10,693,285	9,891,751	7,049,986	10,007,550
Auto dealers and supplies	3,263,926	4,272,627	4,538,516	4,518,819	2,766,818
Service stations	14,041,823	10,221,368	8,343,933	6,723,241	9,839,101
Other retail stores	20,802,164	57,032,191	51,903,227	45,761,268	44,447,762
All other outlets	15,581,876	18,866,150	22,965,139	20,992,350	16,325,974
	\$ 168,278,673	\$ 205,706,500	\$ 197,252,771	\$ 173,176,634	\$ 180,256,177



Local Roots, Global Reach

ISLE OF WIGHT COUNTY, VIRGINIA

*County of Isle of Wight, Virginia**Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita***Last Ten Fiscal Years**

Fiscal Year	Population	Assessed Value	(1) Gross Bonded Debt	(2) Less Debt Payable from Enterprise Revenues	Net Bonded Debt	Ratio of Net General Obligation Bonded Debt to Assessed Value	(3) Percentage of Per Capita Income	Net Bonded Debt per Capita
2014	35,656	\$ 4,147,194,000	\$ 146,569,755	\$ 37,393,972	\$ 109,175,783	0.0263	9.9%	\$ 3,062
2013	35,399	\$ 4,966,178,830	\$ 150,387,747	\$ 44,620,819	\$ 105,766,928	0.0213	7.0%	\$ 2,988
2012	35,457	\$ 5,022,571,541	\$ 132,640,758	\$ 28,354,023	\$ 104,286,735	0.0208	7.2%	\$ 2,941
2011	35,270	\$ 5,511,732,553	\$ 135,269,771	\$ 29,215,647	\$ 106,054,124	0.0192	10.2%	\$ 3,007
2010	36,729	\$ 5,731,046,892	\$ 103,604,958	\$ 24,142,700	\$ 79,462,258	0.0139	5.7%	\$ 2,163
2009	35,659	\$ 5,668,451,427	\$ 85,142,005	\$ 16,330,058	\$ 71,210,095	0.0126	5.4%	\$ 1,997
2008	34,620	\$ 5,253,816,298	\$ 67,954,073	\$ 11,325,837	\$ 56,225,120	0.0107	4.6%	\$ 1,624
2007	34,057	\$ 5,051,082,884	\$ 62,658,480	\$ 12,053,360	\$ 50,605,120	0.0100	4.3%	\$ 1,486
2006	33,065	\$ 3,770,646,496	\$ 67,740,400	\$ 12,584,471	\$ 55,155,929	0.0146	5.0%	\$ 1,668
2005	32,417	\$ 3,575,930,571	\$ 71,414,333	\$ 11,670,000	\$ 59,744,333	0.0167	5.7%	\$ 1,843

- (1) Includes all long-term general obligation debt. Prior year amounts were restated to include bond premium, discount, and adjustments.
(2) Prior year amounts were restated to include bond premium.
(3) See Exhibit C-13 for per capita income.

*County of Isle of Wight, Virginia**Legal Debt Margin*

Last Ten Fiscal Years	2014	2013	2012	2011	2010
Total assessed valuation of real estate from land book	\$4,147,194,000	\$4,070,990,990	\$4,287,008,000	\$4,245,268,423	\$4,680,728,500
Percent limitation according to the Code of Virginia	10%	10%	10%	10%	10%
Debt limitation	414,719,400	407,099,099	428,700,800	424,526,842	468,072,850
Total debt of the County	139,880,000	142,925,000	131,775,000	133,488,773	102,759,627
Total debt of the Town of Smithfield	-	-	5,303,476	4,870,725	4,476,754
Total debt of the Town of Windsor	-	-	2,168,307	1,629,976	763,140
Total	139,880,000	142,925,000	139,246,783	139,989,474	107,999,521
Amount by which legal debt margin exceeds total debt	\$ 274,839,400	\$ 264,174,099	\$ 289,454,017	\$ 284,537,368	\$ 360,073,329

(Continued)

Under state finance laws, the County of Isle of Wight's outstanding general obligation debt should not exceed 10% of total assessed value.

*County of Isle of Wight, Virginia**Legal Debt Margin (Continued)*

Last Ten Fiscal Years	2009	2008	2007	2006	2005
Total assessed valuation of real estate from land book	\$4,359,684,973	\$3,968,971,300	\$3,879,182,779	\$2,626,671,100	\$2,480,667,825
Percent limitation according to the Code of Virginia	10%	10%	10%	10%	10%
Debt limitation	435,968,497	396,897,130	387,918,278	262,667,110	248,066,783
Total debt of the County	84,569,627	64,255,029	58,600,029	67,052,307	71,414,333
Total debt of the Town of Smithfield	4,924,960	5,380,722	5,977,452	6,604,383	3,509,671
Total debt of the Town of Windsor	773,226	782,871	792,091	800,079	810,489
Total	90,267,813	70,418,622	65,369,572	74,456,769	75,734,493
Amount by which legal debt margin exceeds total debt	\$ 345,700,684	\$ 326,478,508	\$ 322,548,706	\$ 188,210,341	\$ 172,332,290

Under state finance laws, the County of Isle of Wight's outstanding general obligation debt should not exceed 10% of total assessed value.



Local Roots, Global Reach

ISLE OF WIGHT COUNTY, VIRGINIA

*County of Isle of Wight, Virginia**Demographic Statistics***Last Ten Fiscal Years**

Fiscal Year	(1) Population	(1) Per Capita Income	Registered Voters	(2) Unemployment Rate
2014	35,656 (4)	\$ 30,806 (4)	26,685	5.5%
2013	35,399 (4)	\$ 42,883 (4)	26,490	6.0%
2012	35,457 (4)	\$ 40,710 (4)	26,534	6.3%
2011	35,270 (4)	\$ 29,594 (4)	26,023	7.1%
2010	36,729 (3)	\$ 37,754 (3)	25,675	7.7%
2009	35,659 (3)	\$ 36,654 (3)	25,732	6.7%
2008	34,620 (3)	\$ 35,586 (3)	24,131	3.7%
2007	33,612	\$ 34,549 (3)	23,356	3.0%
2006	33,090	\$ 33,543	22,501	3.1%
2005	32,417	\$ 32,275	21,639	3.5%

Source:

- (1) Weldon-Cooper Center for Public Service, UVA.
- (2) Virginia Employment Commission.
- (3) Estimated assuming a 3% growth rate from the prior year.
- (4) 2010 Census Data

County of Isle of Wight, Virginia

Full-time Equivalent County Government Employees by Function/Program

Last Eight Fiscal Years

Function/Program	Full-time Equivalent Employees as of June 30,				
	2014	2013	2012	2011	2010
General government					
County Administration	4.0	4.0	4.0	4.0	4.0
County Attorney	2.0	1.5	2.0	3.0	3.0
Commissioner of Revenue	10.5	10.5	10.5	11.5	11.5
Treasurer	9.5	9.5	9.0	9.5	9.5
Budget and Finance	6.0	7.0	7.0	7.0	7.0
Human Resources	2.0	3.0	2.0	2.0	2.0
Communications	2.0	1.0	1.0	1.0	1.0
Economic Development	5.0	5.0	5.0	5.0	3.0
Registrar	3.5	2.5	2.5	2.5	2.5
Inspections	7.0	7.0	7.0	7.0	9.0
Information Technology	7.0	7.0	7.0	7.0	7.0
Planning and Zoning	9.0	10.0	10.0	11.0	12.0
Health & Welfare	1.5	1.5	4.0	5.0	5.0
Tourism	3.5	3.5	6.5	6.5	3.5
Clerk of Court	7.0	7.0	7.0	6.0	6.0
Commonwealth Attorney	6.0	6.0	6.0	6.0	6.0
Total general government	85.5	86.0	90.5	94.0	92.0
Public Safety					
Sheriff Deputies (including Sheriff)	46.5	46.5	45.5	44.0	44.0
Administrative	4.5	4	4.5	2.0	2.0
Animal Control	5.5	5	4.5	5.0	5.0
Emergency Communications	22.0	19.5	19.0	19.0	19.0
Total Public Safety	78.5	75.0	73.5	70.0	70.0
Fire and Rescue					
Administrative	6.0	4	4	2	2.0
Firefighters/Paramedics	60.0	55.5	46	23	23.0
Total Fire and Rescue	66.0	59.5	50.0	25.0	25.0
General Services					
Administrative	5.0	3	3	3	3.0
Engineering	6.0	7	7.5	8	6.0
Stormwater	4.0	0	0	0	-
Refuse collection	23.5	20.5	22	19	19.0
Building and Grounds	7.0	6	6	6	5.0
Custodians	6.5	6.5	7	7	6.5
Total Public Works	52.0	43	45.5	43.0	39.5
Parks, Recreation and Cultural	20.5	21.5	20	20	22.5
Public Utilities	13.0	13.0	14.0	13.5	13.5
Public Schools					
Instructional Positions	477.0	538.3	356.0	434.0	539.0
Administrators	47.0	53.4	44.0	40.0	23.0
Support Personnel	177.1	185.5	133.0	277.0	207.0
Total Public Schools	701.1	777.2	533.0	751.0	769.0
Grand total	1,016.6	1,075.2	826.5	1,016.5	1,031.5

Source: Various County of Isle of Wight Departments,
including Isle of Wight County School for information relates to Public Schools

* Information prior to fiscal year 2007 is not readily available

County of Isle of Wight, Virginia

Full-time Equivalent County Government Employees by Function/Program (Continued)

Function/Program	Full-time Equivalent Employees as of June 30,		
	2009	2008	2007
Last Eight Fiscal Years			
General government			
County Administration	5.0	6.0	7.0
County Attorney	3.0	3.0	3.0
Commissioner of Revenue	11.5	10.5	9.5
Treasurer	10.5	8.5	7.5
Budget and Finance	7.0	7.0	6.5
Human Resources	3.0	3.0	3.0
Communications	2.0	1.0	1.0
Economic Development	3.0	3.0	3.0
Registrar	2.0	2.0	2.0
Inspections	9.0	9.0	9.0
Information Technology	8.0	6.5	6.5
Planning and Zoning	13.0	12.0	12.0
Health & Welfare	7.0	6.0	1.0
Tourism	3.5	6.5	5.5
Clerk of Court	6.5	6.5	6.0
Commonwealth Attorney	5.5	4.0	4.0
Total general government	99.5	94.5	86.5
Public Safety			
Sheriff Deputies (including Sheriff)	44.0	44.0	42.0
Administrative	2.0	2.0	2.0
Animal Control	5.5	5.0	5.0
Emergency Communications	18.0	17.0	17.0
Total Public Safety	69.5	68.0	66.0
Fire and Rescue			
Administrative	3.0	2.5	1.0
Firefighters/Paramedics	20.5	18.5	18.5
Total Fire and Rescue	23.5	21.0	19.5
General Services			
Administrative	1.5	1.5	2.0
Engineering	5.0	7.0	5.0
Stormwater	-	-	-
Refuse collection	19.5	21.5	19.0
Building and Grounds	12.0	11.0	11.5
Custodians	6.5	6.5	5.0
Total Public Works	44.5	47.5	42.5
Parks, Recreation and Cultural	12.5	13.5	16.5
Public Utilities	9.5	10.5	12.0
Public Schools			
Instructional Positions	555.6	549.6	534.1
Administrators	23.0	23.0	24.0
Support Personnel	245.1	247.5	247.3
Total Public Schools	823.7	820.1	805.4
Grand total	1,082.7	1,075.1	1,048.4

Source: Various County of Isle of Wight Departments,
including Isle of Wight County School for information relates to Public Schools

* Information prior to fiscal year 2007 is not readily available

*County of Isle of Wight, Virginia**Operating Indicators by Function/Program***Last Eight Fiscal Years**

Function/Program	2014	2013	2012	2011	2010
Sheriff					
Physical arrests	814	527	419	412	533
Traffic violations	2,274	2,032	1,448	1,214	1,456
Fire					
Emergency responses - Fire	1,334	709	1,479	1,375	2,285
Emergency responses - Rescue	4,149	4,720	4,179	4,343	3,360
Building Permits					
Residential	126	107	85	92	169
Residential - Value	\$ 29,193,361	\$ 25,170,632	\$ 12,656,261	\$ 24,909,824	\$ 4,121,500
Commercial	5	4	5	14	11
Commercial - Value	\$ 3,010,200	\$ 2,738,211	\$ 2,734,000	\$ 8,748,932	\$ 16,306,000
Refuse collection					
Refuse collected (tons per day)	31	46	47.9	49.3	52.7
Public Schools					
Cost Per Student	\$ 10,113	\$ 9,628	\$ 9,827	\$ 9,827	\$ 10,861
Average Daily Membership	5,325	5,312	5,331	5,331	5,367
Student/Teacher Ratio	17.2	16.3	15.7	15.7	12.1
Park and recreation					
Athletic field permits issued	32	59	872		94
County Fair Admissions	25,160	33,886	14,997	15,000	21,000
Library					
Volumes in collection	184,288	186,615	202,633	223,249	253,402
Total volumes borrowed	417,529	449,557	945,071	215,767	221,725
Water					
New connections	58	60	50	93	57
Average daily consumption (thousands of gallons)	0.58	0.60	0.58	0.57	0.56

Source: Various County of Isle of Wight Departments,
including Isle of Wight County School for information relates to Public Schools

* Information prior to fiscal year 2007 is not readily available

*County of Isle of Wight, Virginia**Operating Indicators by Function/Program (Continued)*

Last Eight Fiscal Years			
Function/Program	2009	2008	2007
Sheriff			
Physical arrests	661	890	989
Traffic violations	1,047	2,677	1,383
Fire			
Emergency responses - Fire	1,920	1,539	1,792
Emergency responses - Rescue	4,657	4,408	3,660
Building Permits			
Residential	118	167	310
Residential - Value	\$ 24,255,044	\$ 35,817,165	\$ 56,519,045
Commercial	14	14	31
Commercial - Value	\$ 31,604,670	\$ 10,537,686	\$ 13,266,100
Refuse collection			
Refuse collected (tons per day)	53.0	56.0	56.0
Public Schools			
Cost Per Student	\$ 11,136	\$ 10,767	\$ 10,232
Average Daily Membership	5,306	5,286	5,372
Student/Teacher Ratio	12.9	13.1	13.1
Park and recreation			
Athletic field permits issued	539	158	205
County Fair Admissions	12,000	2,400	2,979
Library			
Volumes in collection	265,491	268,863	258,620
Total volumes borrowed	249,144	229,489	193,082
Water			
New connections	54	71	109
Average daily consumption (thousands of gallons)	0.89	0.67	0.69

Source: Various County of Isle of Wight Departments,
including Isle of Wight County School for information relates to Public Schools

* Information prior to fiscal year 2007 is not readily available

*County of Isle of Wight, Virginia**Capital Asset Statistics by Function/Program***Last Eight Fiscal Years**

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007
Sheriff								
Stations	1	1	1	1	1	1	1	1
Patrol units	48	49	43	43	51	56	45	41
Fire and Rescue								
Fire Units	5	5	5	5	5	5	5	5
Rescue Units	4	4	4	4	4	4	4	4
Refuse collection								
Collection trucks	6	6	6	6	6	6	5	5
Public Schools								
School Facilities	9	9	9	9	9	9	9	9
Park and recreation								
Parks	7	7	7	7	7	7	7	7
Acreage	570	570	570	570	570	570	565	565
Playgrounds	4	4	4	4	4	4	8	8
Baseball/softball diamonds	4	4	4	4	4	4	4	4
Soccer/football fields	12	12	12	12	12	12	8	9
Community centers	2	2	2	2	2	2	2	2
Museums	2	2	2	2	2	2	2	2
Library Facilities								
	3	3	3	3	3	3	3	3

Source: Various County of Isle of Wight Departments, including Isle of Wight County School for information relates to Public Schools

* Information prior to fiscal year 2007 is not readily available

Acknowledgement

The Budget and Finance Department takes this opportunity to express its appreciation for the cooperation and assistance in the preparation of this report.

- Isle of Wight County Departments
- Isle of Wight County Component Units
- Michael Terry, Budget and Finance Director
- Nancy Mayo, Budget and Finance, Accountant
- Donna Proffitt, Budget and Finance, Accountant
- Donald Robertson, Information Resources and Legislative Affairs
- Christina Berta, Isle of Wight County Schools, Executive Director of Budget and Finance
- Nancy Hopkins, Isle of Wight County Schools, Accounting Manager
- John F. Georger, Certified Public Accountant, Certified Internal Auditor
- Davenport & Company LLC
- Other Related Organizations



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