

*County of Southampton, Virginia*  
*Report on Audit of Financial Statements*  
*Years Ended June 30, 2002 and 2001*

## County of Southampton, Virginia

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## INDEPENDENT AUDITOR'S REPORT

Honorable Members of the  
Board of Supervisors  
County of Southampton, Virginia

We have audited the accompanying general purpose financial statements and the combining and individual fund and account group financial statements of the County of Southampton, Virginia, as of and for the year ended June 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the County of Southampton, Virginia. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

The general purpose financial statements referred to above do not include financial statements of the General Fixed Asset Account Group, which should be included to conform with accounting principles generally accepted in the United States of America.

In our opinion, except for the omission of the General Fixed Asset Account Group, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the County of Southampton, Virginia, as of June 30, 2002, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the combining and individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the County of Southampton, Virginia as of June 30, 2002, and the results of operations of such funds and cash flows of individual proprietary funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.



In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2002 on our consideration of the County of Southampton, Virginia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining and individual fund and account group financial statements. The accompanying financial information listed as supporting schedules in the table of contents, including the Schedule of Expenditures of Federal Awards, is presented for the purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements of the County of Southampton, Virginia. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining and individual fund and account group financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements of each of the respective individual funds and account groups taken as a whole.

Credle, Jones, and Alga, P. C.  
Certified Public Accountants

South Hill, Virginia  
November 7, 2002

County of Southampton, Virginia

Combined Balance Sheet - All Funds and Account Groups

At June 30, 2002 and 2001

	<u>Governmental Funds</u>			<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>	<u>Account Group</u>	<u>Totals</u>	<u>Component</u>	<u>Totals</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Trust and Agency</u>	<u>General Long-Term Debt</u>	<u>(Memorandum Only) Primary Government</u>	<u>Unit School Board</u>	<u>Reporting Entity</u>	<u>2002</u>	<u>2001</u>
<b>Assets</b>											
Cash and investments	\$ 4,009,246	\$ 347,418	\$ 1,437,503	\$ 476,917	\$ 268,476	\$ -	\$ 6,539,560	\$ 1,709,939	\$ 8,249,499	\$ 7,710,032	
Receivables (net of allowance for bad debts)											
Taxes	432,870	-	-	-	-	-	432,870	-	432,870	156,471	
Accounts	91,773	33,584	75,366	75,452	-	-	276,175	-	276,175	256,843	
Loans	-	-	-	65,742	-	-	65,742	-	65,742	-	
Due from other governments	297,586	483,598	-	-	-	-	781,184	863,302	1,644,486	2,480,619	
Fixed assets (net of accumulated depreciation)	-	-	-	16,287,364	-	-	16,287,364	-	16,287,364	16,699,973	
Amount to be provided for retirement of long-term debt	-	-	-	-	-	1,966,517	1,966,517	17,009,119	18,975,636	18,649,887	
Amount to be provided for payment of compensated absences	-	-	-	-	-	438,296	438,296	233,291	671,587	459,819	
<b>Total Assets</b>	<b>\$ 4,831,475</b>	<b>\$ 864,600</b>	<b>\$ 1,512,869</b>	<b>\$ 16,905,475</b>	<b>\$ 268,476</b>	<b>\$ 2,404,813</b>	<b>\$ 26,787,708</b>	<b>\$ 19,815,651</b>	<b>\$ 46,603,359</b>	<b>\$ 46,413,644</b>	

County of Southampton, Virginia

Combined Balance Sheet - All Funds and Account Groups

At June 30, 2002 and 2001

	Governmental Funds			Proprietary Funds	Fiduciary Funds	Account Group	Totals (Memorandum Only)	Component Unit	Totals (Memorandum Only) Reporting Entity	
	General	Special Revenue	Capital Projects	Enterprise	Trust and Agency	General Long-Term Debt	Primary Government	School Board	2002	2001
<b>Liabilities</b>										
Pooled cash - deficit	\$ -	\$ 478,395	\$ -	\$ -	\$ -	\$ -	\$ 478,395	\$ -	\$ 478,395	\$ 559,242
Accrued liabilities	-	-	-	34,155	-	-	34,155	1,880,739	1,914,894	1,780,228
Accounts payable	247,530	17,205	12,499	38,277	-	-	315,511	492,116	807,627	832,117
Compensated absences	-	-	-	31,554	-	438,296	469,850	233,291	703,141	484,284
Amounts held for others	-	-	-	-	268,476	-	268,476	-	268,476	162,268
Deferred revenue	418,260	5,797	-	-	-	-	424,057	70,739	494,796	197,471
Notes/capital leases payable	-	-	-	-	-	178,143	178,143	-	178,143	17,609
Bonds payable	-	-	-	5,316,674	-	1,788,374	7,105,048	17,009,119	24,114,167	24,178,855
<b>Total Liabilities</b>	<b>665,790</b>	<b>501,397</b>	<b>12,499</b>	<b>5,420,660</b>	<b>268,476</b>	<b>2,404,813</b>	<b>9,273,635</b>	<b>19,686,004</b>	<b>28,959,639</b>	<b>28,212,074</b>
<b>Fund Equity</b>										
Retained earnings										
Contributed capital	-	-	-	14,181,867	-	-	14,181,867	-	14,181,867	14,181,867
Unreserved	-	-	-	(2,697,052)	-	-	(2,697,052)	-	(2,697,052)	(2,504,093)
Fund balance										
Reserve for capital projects	-	-	1,500,370	-	-	-	1,500,370	-	1,500,370	1,918,265
Designated	-	240,512	-	-	-	-	240,512	-	240,512	-
Unreserved - undesignated	4,165,685	122,691	-	-	-	-	4,288,376	129,647	4,418,023	4,605,531
<b>Total Fund Equity</b>	<b>4,165,685</b>	<b>363,203</b>	<b>1,500,370</b>	<b>11,484,815</b>	<b>-</b>	<b>-</b>	<b>17,514,073</b>	<b>129,647</b>	<b>17,643,720</b>	<b>18,201,570</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 4,831,475</b>	<b>\$ 864,600</b>	<b>\$ 1,512,869</b>	<b>\$ 16,905,475</b>	<b>\$ 268,476</b>	<b>\$ 2,404,813</b>	<b>\$ 26,787,708</b>	<b>\$ 19,815,651</b>	<b>\$ 46,603,359</b>	<b>\$ 46,413,644</b>

See independent auditor's reports and accompanying notes to financial statements.

County of Southampton, Virginia

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

Years Ended June 30, 2002 and 2001

	<u>Governmental Funds</u>			<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>	<u>Component</u> <u>Unit</u>	<u>Totals</u> <u>(Memorandum Only)</u> <u>Reporting</u> <u>Entity</u>	
	<u>General</u>	<u>Special</u> <u>Revenue</u>	<u>Capital</u> <u>Projects</u>	<u>Primary</u> <u>Government</u>	<u>School</u> <u>Board</u>	<u>2002</u>	<u>2001</u>
<b>Revenues</b>							
General property taxes	\$ 10,490,345	\$ -	\$ -	\$ 10,490,345	\$ -	\$ 10,490,345	\$10,005,670
Other local taxes	811,016	107,512	828,904	1,747,432	-	1,747,432	1,711,148
Permits, fees, and licenses	102,353	-	-	102,353	-	102,353	84,099
Fines and forfeitures	444,781	-	-	444,781	-	444,781	300,751
Revenues from use of money and property	138,131	42,736	83,076	263,943	2,913	266,856	676,503
Charges for services	104,034	288,788	-	392,822	499,116	891,938	739,888
Miscellaneous	642,194	1,955	40,000	684,149	89,772	773,921	1,012,924
Recovered costs	365,672	-	-	365,672	279,944	645,616	642,941
Intergovernmental	3,782,056	2,367,152	1,192,675	7,341,883	13,928,597	21,270,480	22,521,225
Total Revenues	16,880,582	2,808,143	2,144,655	21,833,380	14,800,342	36,633,722	37,695,149
<b>Expenditures</b>							
General government administration	1,301,414	-	8,500	1,309,914	-	1,309,914	1,258,745
Judicial administration	893,012	5,388	-	898,400	-	898,400	824,593
Public safety	4,133,344	379,607	351,752	4,864,703	-	4,864,703	5,015,226
Public works	1,566,067	-	183,977	1,750,044	-	1,750,044	1,886,011
Health and welfare	440,509	1,746,255	-	2,186,764	-	2,186,764	2,097,678
Education	30,546	-	2,844,013	2,874,559	20,596,698	23,471,257	29,864,653
Parks, recreation, and cultural	171,812	-	137,069	308,881	-	308,881	191,926
Community development	331,103	812,387	-	1,143,490	-	1,143,490	2,592,246
Debt service	18,018	-	190,209	208,227	2,410,569	2,618,796	7,737,198
Total Expenditures	8,885,825	2,943,637	3,715,520	15,544,982	23,007,267	38,552,249	51,468,276

	<u>Governmental Funds</u>			<u>Totals</u>	<u>Component</u>	<u>Totals</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>(Memorandum Only)</u>	<u>Unit</u>	<u>(Memorandum Only)</u>	
				<u>Primary Government</u>	<u>School Board</u>	<u>Reporting Entity</u>	
						<u>2002</u>	<u>2001</u>
Excess (Deficiency) of Revenues Over Expenditures	7,994,757	(135,494)	(1,570,865)	6,288,398	(8,206,925)	<b>(1,918,527)</b>	(13,773,127)
<b>Other Financing Sources (Uses)</b>							
Proceeds from debt	55,537	-	1,689,028	1,744,565	-	<b>1,744,565</b>	10,672,706
Operating transfers in	-	368,926	-	368,926	8,230,463	<b>8,599,389</b>	7,854,046
Operating transfers (out)	<u>(8,124,983)</u>	<u>(129,277)</u>	<u>(536,058)</u>	<u>(8,790,318)</u>	<u>-</u>	<b><u>(8,790,318)</u></b>	<u>(8,248,259)</u>
Total Other Financing Sources (Uses)	<u>(8,069,446)</u>	<u>239,649</u>	<u>1,152,970</u>	<u>(6,676,827)</u>	<u>8,230,463</u>	<b><u>1,553,636</u></b>	<u>10,278,493</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	(74,689)	104,155	(417,895)	(388,429)	23,538	<b>(364,891)</b>	(3,494,634)
Fund Balances - Beginning of Year	<u>4,240,374</u>	<u>259,048</u>	<u>1,918,265</u>	<u>6,417,687</u>	<u>106,109</u>	<b><u>6,523,796</u></b>	<u>10,018,430</u>
Fund Balances - End of Year	<u>\$ 4,165,685</u>	<u>\$ 363,203</u>	<u>\$ 1,500,370</u>	<u>\$ 6,029,258</u>	<u>\$ 129,647</u>	<b><u>\$ 6,158,905</u></b>	<u>\$ 6,523,796</u>

See independent auditor's reports and accompanying notes to financial statements.





## County of Southampton, Virginia

### Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings

#### Enterprise Funds

Years Ended June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
<b>Operating Revenues</b>		
Sale of primary service	\$ 784,099	\$ 785,285
Miscellaneous	<u>11,110</u>	<u>9,092</u>
Total Operating Revenues	<b>795,209</b>	794,377
<b>Operating Expenses</b>		
Depreciation	491,866	483,086
Personal services	214,871	197,611
Repair and maintenance	175,417	140,031
Utilities	71,688	72,606
Fringe benefits	62,180	61,071
Water and sewer	33,909	38,660
Chemicals and lab testing	28,692	25,934
Miscellaneous	26,365	17,292
Insurance	10,757	13,466
Legal and accounting fees	6,662	8,294
Communication	6,110	5,865
Refuse transferred	5,985	5,628
Engineering fees	<u>3,315</u>	<u>-</u>
Total Operating Expenses	<u>1,137,817</u>	<u>1,069,544</u>
Operating Income (Loss)	<b>(342,608)</b>	(275,167)
<b>Nonoperating Revenues (Expenses)</b>		
Connection fees	42,159	10,543
Interest income	11,712	12,693
Interest expense	<u>(95,152)</u>	<u>(96,416)</u>
Total Nonoperating Revenues (Expenses)	<u>(41,281)</u>	<u>(73,180)</u>
Income (Loss) Before Operating Transfers	<b>(383,889)</b>	(348,347)
Operating transfers in	190,930	394,213
Operating transfers (out)	<u>-</u>	<u>-</u>
Total Operating Transfers In (Out)	<u>190,930</u>	<u>394,213</u>
Net Income (Loss)	<b>(192,959)</b>	45,866
Retained Earnings (Deficit) - Beginning of Year	<u>(2,504,093)</u>	<u>(2,549,959)</u>
Retained Earnings (Deficit) - End of Year	<u>\$ (2,697,052)</u>	<u>\$ (2,504,093)</u>

See independent auditor's reports and accompanying notes to financial statements.

**County of Southampton, Virginia**

Comparative Combining Statement of Cash Flows

Enterprise Funds

Years Ended June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
<b>Cash Flows from Operating Activities</b>		
Net income (loss)	\$ (192,959)	\$ 45,866
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	491,866	483,086
(Increase) Decrease in Receivables	(12,600)	(11,458)
Increase (Decrease) in Accounts payable	11,096	5,851
Compensated absences	7,090	(5,833)
Customer deposits	<u>2,705</u>	<u>1,600</u>
Net Cash Provided by Operating Activities	<b>307,198</b>	519,112
<b>Cash Flows from Capital and Related Financing Activities</b>		
Purchase of equipment	(79,257)	(285,813)
Payments received on loan receivable	4,876	4,025
Decrease in long-term debt	<u>(229,903)</u>	<u>(228,638)</u>
Net Cash (Used) by Capital and Related Financing Activities	<u>(304,284)</u>	<u>(510,426)</u>
Increase (Decrease) in Cash	<b>2,914</b>	8,686
Cash - Beginning of Year	<u>474,003</u>	<u>465,317</u>
Cash - End of Year	<u>\$ 476,917</u>	<u>\$ 474,003</u>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Interest expense	<u>\$ 95,152</u>	<u>\$ 96,416</u>

See independent auditor's reports and accompanying notes to financial statements.

## County of Southampton, Virginia

### Notes to Financial Statements

Year Ended June 30, 2002

#### 1 Summary of Significant Accounting Policies

The County of Southampton, Virginia (the "County"), which was founded in 1748, has a population of approximately 17,500 living within an area of 599 square miles. The County is located in the Tidewater area in Southeastern Virginia. The County is governed by an appointed County Administrator and a seven member Board of Supervisors with each serving administrative and legislative functions.

The financial statements of the County conform to generally accepted accounting principles (GAAP) applicable to government units promulgated by the Governmental Accounting Standards Board (GASB), with the exception of the General Fixed Asset Account Group. The following is a summary of the more significant policies:

##### A. *The Financial Reporting Entity*

As required by generally accepted accounting principles, these financial statements present the County (primary government) and its component units. The component units discussed in Note B are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

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

Discretely Presented Component Units

County of Southampton School Board

##### C. *Financial Statement Presentation*

The accounts of the County are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. Each fund is a separate set of self-balancing accounts that consists of assets, liabilities, fund equity, revenues, and expenditures or expenses. Account groups are used to establish accounting control over certain assets and liabilities that are not recorded in funds. The various funds and account groups are grouped in the financial statements as follows:

1. Governmental Funds account for the expendable financial resources, other than those accounted for in Proprietary and Similar Trust Funds. The Governmental Fund measurement focus is on determination of financial position and changes in financial position, rather than on net income determination. The individual Governmental Funds are:

##### General Fund

The General Fund is the general operating fund of the County. This fund accounts for all revenues and expenditures of the County which are not accounted for in the other funds.

### Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special Revenue Funds consist of the School Fund and the School Food Service Fund, which comprise the component unit. Other Special Revenue Funds are the Virginia Public Assistance Fund, Canteen Fund, Inmate Enterprise Fund, Emergency 911 Fund, Forfeiture Fund, Federal Grants Fund, and Law Library Fund.

### Debt Service Funds

Debt Service Funds account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related charges. Debt service is recorded in the related governmental General or School Board Fund.

### Capital Projects Funds

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by Proprietary Funds. The Capital Projects Funds consist of the Utility Tax Building Fund and the Rehab Housing – CDBG Fund.

2. Proprietary Funds account for activities similar to those found in the private sector. The measurement focus is upon determination of net income. Proprietary Funds consist of the Enterprise Funds.

### Enterprise Funds

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the County is that the cost of providing services to the general public be financed or recovered through user charges. The Enterprise Fund consists of the Water and Sewer Fund.

### Internal Service Funds

Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the County government, on a cost-reimbursement basis. Internal Service Funds are not used by the County at this time.

3. Fiduciary Funds (Trust and Agency Funds) account for assets held by the County unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Agency Funds which are the Special Welfare Fund and the W. C. Rawls Library Fund.
4. Account Groups are used to establish accounting control over general fixed assets and long-term liabilities. The general long-term debt is included herein. Long-term obligations and fixed assets related to Proprietary Funds are accounted for in these Proprietary Funds. The

General Fixed Asset Account Group is omitted which is not in accordance with generally accepted accounting principles.

5. Memorandum Only - Total Columns on Combined Statements - Overview

The total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**D. *Basis of Accounting***

1. Governmental Funds

Governmental Funds utilize the modified accrual basis of accounting under which revenues and related assets are recorded when measurable and available to finance operations during the year. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 45 days after year-end are reflected as deferred revenues. Sales and utility taxes, which are collected by the State or utilities and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the State or utility, which is generally in the month preceding receipt by the County.

Licenses, permits, fines, and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of Federal, State, and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure. Revenues from general purpose grants are recognized in the period to which the grant applies.

Expenditures, other than interest on long-term debt, are recorded as the related fund liabilities are incurred. Interest on long-term debt is recognized when due.

2. Proprietary Funds

The accrual basis of accounting is used for the Enterprise Funds. Under the accrual method, revenues are recognized when earned and expenses are recognized when incurred.

3. Fiduciary Funds

Pension Trust and Nonexpendable Trust Funds utilize the accrual basis of accounting. Expendable Trust and Agency Funds utilize the modified accrual basis of accounting.

**E. *Budgets and Budgetary Accounting***

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

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them. Capital project budgets are not adopted.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department level or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The Board of Supervisors is authorized to transfer budgeted amounts within general government departments. Funds are appropriated to the School Board by major classifications and no funds shall be expended by the School Board except in accordance with such classifications or transferred between such classifications without the consent of the Board of Supervisors.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and the Capital Projects Funds.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30 for all County units except for the Capital Projects Funds which carry unexpended balances into the following year on a continuing appropriation basis.
8. All budget data presented in the accompanying financial statements is the revised budget as of June 30.

**F. *Encumbrances***

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriations, is employed as an extension of formal budgetary integration in the General, Special Revenue, and Capital Projects Funds. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

**G. *Cash and Cash Equivalents***

For the purposes of the Statement of Cash Flows, cash and cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and investments with maturities of 90 days or less.

**H. *Investments***

Investments are stated at cost which approximates market. Certificates of deposit and short-term repurchase agreements are reported in the accompanying

financial statements as cash and cash equivalents. Investments in a deferred compensation agency fund are reported at market value.

**I. Inventory**

Inventory is not valued since small immaterial quantities are all that are kept on hand.

**J. Property, Plant, and Equipment**

All purchased property, plant, and equipment are valued at historical cost or estimated historical cost. Donated fixed assets are valued at their estimated fair market value at the date of donation.

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds. The assets are not capitalized in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized. Such assets are immovable and of value only to the government.

Depreciation for property, plant, and equipment in the Proprietary Fund types is computed over the following useful lives using the straight-line method.

Plant, equipment, and system	35-45 years
Motor vehicles	5-10 years
Equipment	2-15 years

Interest is capitalized on Proprietary Fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of borrowing until completion of the project with interest earned on invested proceeds over the same period.

**K. Property Taxes**

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

## **2** Cash and Investments

**Deposits:** At year-end, the carrying value of the County's and the School Board's deposits with banks and savings institutions was \$3,653,310 and \$1,709,940, respectively, and the bank balance was \$7,274,289 and \$1,707,641, respectively. Of the bank balance, \$8,981,930 was covered by Federal Depository Insurance or collateralized in accordance with the Virginia Security for Public Deposits Act. Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50 percent of excess deposits to a collateral pool in the name of the State Treasury Board. Savings and loan institutions are required to collateralize 100 percent of deposits in excess of FDIC limits. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks and savings and loans. Of the bank balance, \$0- was uninsured and uncollateralized in banks or savings and loans not qualifying under the Act at June 30, 2002.

**Investments:** Statutes authorize the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, commercial paper rated A-1 by Standard and Poor's Corporation or P-1 by Moody's Commercial Paper Record, banker's acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP).

The County's investments are categorized below to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its safekeeping agent in the County's name. Category 2 includes uninsured or unregistered investments for which the securities are held by the broker's or dealer's trust department or safekeeping agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer or by its trust department or safekeeping agent but not in the County's name.

	<u>1</u>	<u>Category</u> <u>2</u>	<u>3</u>	<u>Carrying</u> <u>Amount</u>	<u>Market</u> <u>Value</u>
Sweep Management Account	\$ -	\$ 1,396,147	\$ -	\$ 1,396,147	\$ 1,396,147
Morgan Keegan & Company	<u>-</u>	<u>1,009,683</u>	<u>-</u>	<u>1,009,683</u>	<u>1,009,683</u>
Total Investments	<u>\$ -</u>	<u>\$ 2,405,830</u>	<u>\$ -</u>	<u>\$ 2,405,830</u>	<u>\$ 2,405,830</u>
Total Deposits				<u>\$ 5,363,250</u>	
Total Deposits and Investments				<u>\$ 7,769,080</u>	
Cash on Hand				<u>\$ 2,024</u>	
Total Cash and Investments				<u>\$ 7,771,104</u>	

### **3** Amount of Allowance for Uncollectible Accounts

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$350,607 at June 30, 2002 and is composed of the General Fund Property Taxes.

## 4 Due from Other Governmental Units

	<u>Primary Government</u>		<u>Component</u>	<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Unit - School Board</u>	
State sales taxes	\$ -	\$ -	\$ 213,662	\$ 213,662
Title I	-	-	88,431	88,431
Title VI and VI-B	-	-	104,515	104,515
Goals 2000	-	-	27,014	27,014
Technology funds	-	-	232,000	232,000
Sliver Grant	-	-	16,090	16,090
ESEA	-	-	43,186	43,186
VRS, FICA, and Group Life	-	-	45,551	45,551
SVJTA	-	-	16,540	16,540
Mobile home titling tax	10,526	-	-	10,526
Sheriff's compensation	192,354	-	-	192,354
Treasurer's compensation	8,350	-	-	8,350
Commissioner of Revenue's compensation	7,981	-	-	7,981
Commonwealth Attorney's compensation	23,240	-	-	23,240
Registrar/Electoral Board	41,225	-	-	41,225
Motor vehicle carrier's tax	103	-	-	103
Community Development Block Grant	-	103,780	-	103,780
FEMA - grant - flood victims	-	261,618	-	261,618
Victim Witness	13,807	-	-	13,807

	<u>Primary Government</u>		<u>Component</u>	<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Unit - School Board</u>	
Virginia Public Assistance	-	118,200	-	118,200
Other State funds	-	-	42,071	42,071
School Food Service Fund	-	-	34,242	34,242
Totals	<u>\$ 297,586</u>	<u>\$ 483,598</u>	<u>\$ 863,302</u>	<u>\$ 1,644,486</u>

## 5 Interfund Obligations

There are no interfund obligations as of June 30, 2002.

## 6 Proprietary Fixed Assets

A summary of changes in Proprietary Fund fixed assets and depreciation for the year ended June 30, 2002 follows:

	<u>Balance</u> <u>July 1, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2002</u>
<b>Enterprise Funds</b>				
Land	\$ 40,762	\$ -	\$ -	\$ 40,762
Buildings and other improvements	255,576	-	-	255,576
Equipment	1,151,985	18,527	-	1,170,512
Water and sewer facilities	<u>20,938,019</u>	<u>60,730</u>	-	<u>20,998,749</u>
Total Fixed Assets	22,386,342	79,257	-	22,465,599
Less: Accumulated depreciation	<u>(5,686,369)</u>	<u>(491,866)</u>	-	<u>(6,178,235)</u>
Net Fixed Assets	<u>\$ 16,699,973</u>	<u>\$ (412,609)</u>	<u>\$ -</u>	<u>\$ 16,287,364</u>

Accounting policies for fixed assets are detailed in Note 1.

## 7

### Defined Benefit Pension Plan

#### A. Plan Description

All full-time, salaried permanent employees of participating employers must participate in the VRS. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service (age 60 for participating local law enforcement officers, firefighters, and sheriffs) or at age 50 with at least 30 years of service if elected by the employer (age 50 with at least 25 years of service for participating local law enforcement officers, firefighters, and sheriffs) payable monthly for life in an amount equal to 1.7 percent of their average final salary (AFS) for each year of credited service. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for annual cost-of-living increases limited to 5 percent per year beginning in their second year of retirement. AFS is defined as the highest consecutive 36 months of salary. Participating local law enforcement officers, firefighters, and sheriffs may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be obtained by writing to the System at P. O. Box 2500, Richmond, Virginia 23218-2500.

#### B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5 percent of their annual salary to the VRS. The employer may assume this 5 percent member contribution. In addition, the County is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County's contribution rate for the fiscal year ended 2002 was 5.37 percent of annual covered payroll. The Component Unit School Board's contribution rate for non-professional employees for the fiscal year ended 2002 was 1.5 percent of annual covered payroll. The Component Unit School Board contributed \$428,004 to the teacher cost-sharing pool at a rate of 4.24 percent.

**C. Annual Pension Cost**

For fiscal year 2002, the County's annual pension cost of \$302,403 and \$54,277 for the County and the County School Board non-professionals, respectively, was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 2000 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 8 percent investment rate of return, (b) projected salary increases ranging from 4.25 percent to 6.10 percent per year, and (c) 3.0 percent per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3 percent. The actuarial value of the County's assets is equal to the modified market value of assets.

**REQUIRED SUPPLEMENTARY INFORMATION**

Schedules of Funding Progress for County

<b>Actuarial Valuation Date</b>	<b>(a) Actuarial Value of Assets</b>	<b>(b) Actuarial Accrued Liability (AAL)</b>	<b>(b-a) Unfunded Actuarial Accrued Liability (UAAL)</b>	<b>(a/b) Funded Ratio</b>	<b>(c) Covered Payroll</b>	<b>((b-a)/c) UAAL as a Percentage of Covered Payroll</b>
<b>Southampton County</b>						
June 30, 1999	\$ 12,707,955	\$ 12,852,976	\$ 145,021	98.87%	\$ 4,735,654	3.06%
June 30, 2000	14,916,824	13,317,297	(1,599,527)	112.01%	5,075,126	-31.52%
June 30, 2001	16,644,273	14,609,914	(2,034,359)	113.92%	5,266,908	-38.63%
<b>Southampton County School Board</b>						
June 30, 1999	\$ 2,208,524	\$ 2,000,385	\$ (208,139)	110.40%	\$ 743,342	-28.00%
June 30, 2000	2,565,672	1,972,903	(592,769)	130.05%	744,094	-79.66%
June 30, 2001	2,812,768	2,181,626	(631,142)	128.93%	785,713	-80.33%

**Notes to Required Supplementary Information**

This information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

	<u>County</u>	<u>Component Unit School Board</u>
Valuation Date	June 30, 2001	June 30, 2001
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percent, Open	Level Percent, Open
Payroll Growth Rate	3.00%	3.00%
Remaining Amortization Period	24 years	0 years
Asset Valuation Method	Modified Market	Modified Market
Actuarial Assumptions		
Investment rate of return <sup>1</sup>	8.00%	8.00%
Projected salary increases <sup>1</sup>		
NonLaw Enforcement Officer Employees	4.25% to 6.10%	4.25% to 6.10%
Law Enforcement Officer Employees	4.50% to 5.75%	4.50% to 5.75%
Cost-of-living adjustments	3.00%	3.00%

<sup>1</sup>Includes inflation of 3%.

## **8** Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time employees, permits them to defer the payment of a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

## **9** Claims, Judgments, and Compensated Absences

In accordance with NCGA Statement 4 "Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences," the County has accrued the liability arising from outstanding claims, judgments, and compensated absences. Each County employee earns vacation at the rate of a minimum of 1 day per month up to 1 3/4 days per month based on years of service. Sick leave is earned at the rate of 1 1/4 days per month. Sick pay is paid based on 25 percent of unused sick leave up to a maximum of \$2,500. Accumulated vacation up to thirty days is paid upon termination. The County has outstanding compensated absences totaling \$438,296 in the General Long-Term Obligation Account Group and \$31,554 in the Enterprise Funds. The balance in the Component Unit School Board is \$233,291.

## **10** Long-Term Debt

### *Changes in Long-Term Debt*

The principal long-term obligations of the County are general obligation bonds issued to finance the construction of countywide public facilities and notes payable issued to finance the construction of water and sewer facilities within the County's Metropolitan District.

Other long-term obligations include the accrued liability for vested compensated absences.

The following is a summary of long-term debt transactions of the County for the year ended June 30, 2002:

	<u>Balance</u> <u>July 1, 2001</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2002</u>
<b>Component Unit School Board</b>				
General Obligation Bonds (Virginia Public School Authority, 1991 Series A) issued June, 1991, due in various installments ranging from \$110,000 to \$375,000; rates from 6.10 percent to 7.80 percent; final maturity 12/15/2010. Interest due semiannually 6/15 and 12/15 starting 12/15/1991 with SunTrust Bank.	\$ 2,780,000	\$ -	\$ 255,000	\$ 2,525,000
General Obligation Bond, consolidated the 1991 Series B and 1992 Series into one issue (Virginia Public School Authority, 1994 Series) due in various installments for 20 years at varying rates between 5 percent and 7 percent through 12/15/2011 with SunTrust Bank.	1,990,000	-	240,000	1,750,000
General Obligation Bond (Virginia Public School Authority, 1994 Series) due in various installments for 20 years at varying rates between 6.1 percent and 6.6 percent through 07/15/2015 with SunTrust Bank.	200,000	-	20,000	180,000
General Obligation Bonds (Virginia Public School Authority, Fall 1993) due in various installments ranging from \$15,000 to \$220,000; rates from 4.475 percent to 5 percent. Interest due semiannually, 6/15 and 12/15 with SunTrust Bank.	1,175,000	-	165,000	1,010,000
General Obligation Bonds (Virginia Public School Authority, 1992 Series B) issued 10/28/1992, due in various installments ranging from \$85,000 to \$180,000; rates from 5.1 percent to 8.12 percent; final maturity 12/15/2014. Interest due semiannually 6/15 and 12/15 starting 6/15/1993 with SunTrust Bank.	1,410,000	-	140,000	1,270,000

	<u>Balance July 1, 2001</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance June 30, 2002</u>
General Obligation Bonds (Virginia Public School Authority, Series 2000 B) due in various installments ranging from \$218,266 to \$304,970; rate of 5.10 percent. Interest due semiannually, 7/15 and 1/15, with SunTrust Bank.	10,329,206	-	436,532	<b>9,892,674</b>
General Obligation Refunding Note, Series 1998 issued July 1, 1998 with SunTrust Bank due 7/1/2003; payable annually beginning 7/1/1999 in annual installments of \$49,910 for 15 years with a rate of 6.62 percent; the proceeds of this note were used to pay off the outstanding Virginia Retirement System obligation.	<u>404,572</u>	<u>-</u>	<u>23,127</u>	<u><b>381,445</b></u>
Total Component Unit School Board	18,288,778	-	1,279,659	<b>17,009,119</b>
Compensated Absences - School Board	<u>210,413</u>	<u>22,878</u>	<u>-</u>	<u><b>233,291</b></u>
Grand Total - School Board	18,499,191	22,878	1,279,659	<b>17,242,410</b>

### Enterprise Funds

Virginia Resources Authority, \$4,022,364 note payable, payable in semiannual installments of \$100,559 over 20 years with no interest.	3,419,010	-	201,118	<b>3,217,892</b>
Rural Development, \$2,250,000 Revenue Bonds, Series 1994 A payable over 40 years not to exceed 5 percent interest. The monthly payments are \$10,328.	<u>2,127,567</u>	<u>-</u>	<u>28,785</u>	<u><b>2,098,782</b></u>
Total Enterprise Funds	5,546,577	-	229,903	<b>5,316,674</b>

### Governmental Funds

#### General Fund

First Union National Leasing, capital lease to purchase computer hardware and software, original lease \$239,034 with monthly payments of \$3,582.01 at 7 percent interest over seven years.	17,609	-	17,609	-
Capital leases (2) with Ford Motor Credit for police vehicles and equipment purchased over 3 years. Annual payments of \$66,421.74 with interest rates of approximately 2.5 percent to 3 percent.	-	189,028	66,422	<b>122,606</b>

	<u>Balance July 1, 2001</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance June 30, 2002</u>
Capital lease with IBM Corporation for new computer equipment purchased over 5 years. Quarterly payments of \$3,818.86 with an interest rate of approximately 5 percent.	-	67,226	11,689	<b>55,537</b>
Revenue Note, Series 2001, with Industrial Development Authority of Southampton County, Virginia, for the Elementary Schools Project. This is temporary financing until the Virginia School Board Authority issues permanent financing.	-	1,500,000	-	<b>1,500,000</b>
Wachovia Bank Moral Obligation Note Series 2001 for the County of Southampton Industrial Development Authority due semiannually over 36 months with a stated interest rate of 4.441 percent	<u>343,500</u>	<u>-</u>	<u>55,126</u>	<u><b>288,374</b></u>
Total General Fund	361,109	1,756,254	150,846	<b>1,966,517</b>
<b>Compensated Absences - General and Virginia Public Assistance Funds</b>	<u>249,406</u>	<u>188,890</u>	<u>-</u>	<u><b>438,296</b></u>
Total Governmental Funds	<u>610,515</u>	<u>1,945,144</u>	<u>150,846</u>	<u><b>2,404,813</b></u>
Grand Total - Long-Term Obligations	<u><b>\$24,656,283</b></u>	<u><b>\$ 1,968,022</b></u>	<u><b>\$1,660,408</b></u>	<u><b>\$ 24,963,897</b></u>

Amortization of Long-Term Debt and Related Interest

One Year Ended <u>June 30,</u>	Component Unit School Board General Bonds Payable		Enterprise Fund		General Fund	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2003	\$ 1,260,720	\$ 1,071,140	\$ 231,225	\$ 93,829	\$ 1,627,855	\$ 65,012
2004	1,236,987	991,322	232,608	92,446	133,024	10,566
2005	1,213,309	917,651	234,055	91,000	72,015	5,153
2006	1,215,585	838,782	235,568	89,486	74,574	3,152
2007	1,209,167	763,745	237,150	87,904	59,049	1,344
2008-2017	<u>10,873,351</u>	<u>3,978,856</u>	<u>4,146,068</u>	<u>1,408,019</u>	<u>-</u>	<u>-</u>
Total	<u><b>\$ 17,009,119</b></u>	<u><b>\$ 8,561,496</b></u>	<u><b>\$5,316,674</b></u>	<u><b>\$1,862,684</b></u>	<u><b>\$ 1,966,517</b></u>	<u><b>\$ 85,227</b></u>

## 11 Deferred Revenue

Deferred revenue represents amounts for which asset recognition criteria have been met but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable but not available. Deferred revenue totaling \$502,106 is comprised of the following:

**A. *Advanced Grant Funding***

This represents a liability incurred by the County and the County School Board for monies accepted from a grantor using an advancement method for payments. The liability is reduced and revenue recorded when expenditures are made in accordance with the grantor's requirements. If expenditures are not made, the funds may revert back to the grantor. Advanced grant funding at June 30, 2002 totaled \$70,739 for the School Board and \$5,798 for the Virginia Public Assistance Fund.

**B. *Deferred Property Tax Revenue***

Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$418,260 at June 30, 2002 which consisted of:

General Property Taxes	\$ 404,868
Prepaid Taxes	<u>13,392</u>
	<u>\$418,260</u>

**12 Fund Balance and Retained Earnings Designations or Reservations**

At June 30, 2002, the Capital Projects Funds balance of \$1,500,370 was reserved for Capital Projects.

**13 Contingent Liabilities (Including Federally Assisted Programs - Compliance Audits)**

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

At June 30, 2002, there were no matters of litigation involving the County which would materially affect the County's financial position should any court decision or pending matter not be favorable to the County.

**14 Excess of Expenditures Over Appropriations**

Expenditures exceeded appropriations in no governmental funds this year.

**15 Surety Bond Information**

**Fidelity and Deposit Company of Maryland - Surety**

Wayne M. Cosby, Clerk of Circuit Court	\$ 100,000
David K. Britt, Treasurer	400,000
John Robert Harrup, Commissioner of Revenue	3,000
Vernie W. Francis, Jr., Sheriff	30,000

**Fidelity and Deposit Company of Maryland - Surety**

Charles E. Turner, Superintendent of Schools and Clerk of School Board	10,000
David J. Holleran, Assistant Superintendent of Schools	10,000

**Selective Insurance - Surety**

Michael W. Johnson, County Administrator	2,000
Walter L. Young, Jr., Supervisor	1,000
Dallas O. Jones, Supervisor	1,000
Eppa J. Gray, Jr., Vice Chairman, Board of Supervisors	1,000
Charleton Sykes, Supervisor	1,000
Carl J. Faison, Supervisor	1,000
Reggie W. Gilliam, Chairman, Board of Supervisors	1,000
Ronald M. West, Supervisor	1,000

**16 Deficit Fund Balance or Retained Earnings of Individual Funds**

The following funds had a deficit in the amount shown at June 30, 2002:

Enterprise Fund - Water and Sewer Fund	\$ 2,697,052
--	--------------

**17 Joint Ventures**

The County participates in the operation of the Walter Cecil Rawls Library and Museum which operates in the County, the City of Franklin, the Towns of Smithfield, Wakefield, and Waverly, and three neighboring counties. The operating costs of the Library for the year ended June 30, 2001 were funded as follows (June 30, 2002 figures are not yet available):

County of Southampton	\$ 151,510
City of Franklin	159,187
County of Isle of Wight	321,192
County of Surry	100,235
County of Sussex	86,131
Town of Smithfield	24,425
Town of Wakefield	15,165
Town of Waverly	<u>14,470</u>
 Total	 <u>\$ 872,315</u>

Significant financial data for the year ended June 30, 2002 follows:

Total Assets	\$ 1,663,916
Total Liabilities	137,644
Total Fund Balance	1,526,272
Revenues	1,645,105
Expenditures	1,581,733
Proceeds of Loans	-
Net Increase in Fund Balance	63,372

County of Southampton, Virginia

Combining Balance Sheet

Special Revenue Funds

At June 30, 2002 and 2001

	Virginia Public Assistance Fund	Canteen Fund	Inmate Enterprise Fund	Emergency 911 Fund	Forfeiture Fund	Federal Grants Fund	Law Library Fund	Totals	
								2002	2001
<b>Assets</b>									
Cash and investments	\$ -	\$ 42,528	\$ 151,580	\$ 117,991	\$ 17,021	\$ -	\$ 18,298	\$ 347,418	\$ 263,799
Due from other governments	118,200	-	-	-	-	365,398	-	483,598	571,176
Accounts receivable	-	-	-	9,050	-	24,000	534	33,584	8,937
Total Assets	<u>\$ 118,200</u>	<u>\$ 42,528</u>	<u>\$ 151,580</u>	<u>\$ 127,041</u>	<u>\$ 17,021</u>	<u>\$ 389,398</u>	<u>\$ 18,832</u>	<u>\$ 864,600</u>	<u>\$ 843,912</u>
<b>Liabilities and Fund Balances</b>									
<b>Liabilities</b>									
Pooled cash deficit	\$ 107,494	\$ -	\$ -	\$ -	\$ -	\$ 370,901	\$ -	\$ 478,395	\$ 559,242
Deferred revenue	5,797	-	-	-	-	-	-	5,797	6,000
Accounts payable	4,909	4,913	2,960	4,350	-	-	73	17,205	19,622
Total Liabilities	118,200	4,913	2,960	4,350	-	370,901	73	501,397	584,864
<b>Fund Balances</b>									
Unreserved - undesignated	-	-	-	122,691	-	-	-	122,691	259,048
Designated	-	37,615	148,620	-	17,021	18,497	18,759	240,512	-
Total Fund Balances	-	37,615	148,620	122,691	17,021	18,497	18,759	363,203	259,048
Total Liabilities and Fund Balances	<u>\$ 118,200</u>	<u>\$ 42,528</u>	<u>\$ 151,580</u>	<u>\$ 127,041</u>	<u>\$ 17,021</u>	<u>\$ 389,398</u>	<u>\$ 18,832</u>	<u>\$ 864,600</u>	<u>\$ 843,912</u>



**County of Southampton, Virginia**

Combining Balance Sheet

Southampton County School Board - Component Unit

As of June 30, 2002 and 2001

	<b>School Fund</b>	<b>School Endowment Fund</b>	<b>School Food Service Fund</b>	<b>Totals</b>	
				<b>2002</b>	<b>2001</b>
<b>Assets</b>					
Cash and investments	\$ 1,558,230	\$ 20,785	\$ 130,924	<b>\$ 1,709,939</b>	\$ 1,667,450
Due from other governments	829,060	-	34,242	<b>863,302</b>	681,221
Amount to be provided for retirement of long-term obligations	17,009,119	-	-	<b>17,009,119</b>	7,959,572
Amount to be provided for compensated absences	<u>233,291</u>	<u>-</u>	<u>-</u>	<b><u>233,291</u></b>	<u>210,413</u>
 Total Assets	 <u><b>\$19,629,700</b></u>	 <u><b>\$ 20,785</b></u>	 <u><b>\$ 165,166</b></u>	 <u><b>\$ 19,815,651</b></u>	 <u><b>\$10,518,656</b></u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable and payroll withholdings	\$ 492,116	\$ -	\$ -	<b>\$ 492,116</b>	\$ 430,538
Accrued salaries and payroll withholdings	1,824,435	-	56,304	<b>1,880,739</b>	1,748,778
Deferred revenues	70,739	-	-	<b>70,739</b>	63,246
Bonds/notes payable	17,009,119	-	-	<b>17,009,119</b>	7,959,572
Compensated absences	<u>233,291</u>	<u>-</u>	<u>-</u>	<b><u>233,291</u></b>	<u>210,413</u>
 Total Liabilities	 19,629,700	 -	 56,304	 <b>19,686,004</b>	 10,412,547
<b>Fund Balances</b>					
Unreserved - undesignated	<u>-</u>	<u>20,785</u>	<u>108,862</u>	<b><u>129,647</u></b>	<u>106,109</u>
 Total Fund Balances	 <u>-</u>	 <u>20,785</u>	 <u>108,862</u>	 <b><u>129,647</u></b>	 <u>106,109</u>
 Total Liabilities and Fund Balances	 <u><b>\$19,629,700</b></u>	 <u><b>\$ 20,785</b></u>	 <u><b>\$ 165,166</b></u>	 <u><b>\$ 19,815,651</b></u>	 <u><b>\$10,518,656</b></u>

**County of Southampton, Virginia**

Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances

Southampton County School Board - Component Unit

Years Ended June 30, 2002 and 2001

	<u>School Fund</u>	<u>School Endowment Fund</u>	<u>School Food Service Fund</u>	<u>Totals</u>	
				<u>2002</u>	<u>2001</u>
<b>Revenues</b>					
Revenues from use of money and property	\$ -	\$ -	\$ 2,913	\$ 2,913	\$ 3,484
Miscellaneous	68,987	20,785	-	89,772	4,463
Charges for services	13,525	-	485,591	499,116	475,442
Recovered costs	279,944	-	-	279,944	213,034
Intergovernmental	<u>13,418,785</u>	<u>-</u>	<u>509,812</u>	<u>13,928,597</u>	<u>14,087,702</u>
 Total Revenues	 13,781,241	 20,785	 998,316	 <b>14,800,342</b>	 14,784,125
<b>Expenditures</b>					
Education	19,601,135	-	995,563	20,596,698	20,209,266
Debt service Principal and interest	<u>2,410,569</u>	<u>-</u>	<u>-</u>	<u>2,410,569</u>	<u>1,652,351</u>
 Total Expenditures	 <u>22,011,704</u>	 <u>-</u>	 <u>995,563</u>	 <b><u>23,007,267</u></b>	 <u>21,861,617</u>
 Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	 (8,230,463)	 20,785	 2,753	 <b>(8,206,925)</b>	 (7,077,492)
<b>Other Financing Sources (Uses)</b>					
Operating transfers in	8,230,463	-	-	8,230,463	7,204,073
Operating transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(158,041)</u>
 Total Other Financing Sources (Uses)	 <u>8,230,463</u>	 <u>-</u>	 <u>-</u>	 <b><u>8,230,463</u></b>	 <u>7,046,032</u>
 Excess (Deficiency) of Revenues over Expenditures and Other Financing Sources (Uses)	 -	 20,785	 2,753	 <b>23,538</b>	 (31,460)
 Fund Balances - Beginning of Year	 <u>-</u>	 <u>-</u>	 <u>106,109</u>	 <b><u>106,109</u></b>	 <u>137,569</u>
 Fund Balances - End of Year	 <u>\$ -</u>	 <u>\$ 20,785</u>	 <u>\$ 108,862</u>	 <b><u>\$ 129,647</u></b>	 <u>\$ 106,109</u>



**County of Southampton, Virginia**

Combining Balance Sheet

Fiduciary Funds - Agency Funds

At June 30, 2002 and 2001

	<b>Special Welfare Fund</b>	<b>W. C. Rawls Library Fund</b>	<b>Totals 2002</b>	<b>2001</b>
<b>Assets</b>				
Cash	\$ 42,841	\$ 225,635	\$ 268,476	\$ 162,268
Total Assets	<u>\$ 42,841</u>	<u>\$ 225,635</u>	<u>\$ 268,476</u>	<u>\$ 162,268</u>
<b>Liabilities</b>				
Amounts held for others	\$ 42,841	\$ 225,635	\$ 268,476	\$ 162,268
Total Liabilities	<u>\$ 42,841</u>	<u>\$ 225,635</u>	<u>\$ 268,476</u>	<u>\$ 162,268</u>

**County of Southampton, Virginia**

Combining Statement of Changes in Assets and Liabilities

Fiduciary Funds - Agency Funds

Year Ended June 30, 2002

	<u>Balance</u> <u>July 1, 2001</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2002</u>
<b>Special Welfare Fund</b>				
Assets				
Cash	\$ 36,499	\$ 40,374	\$ 34,032	\$ 42,841
Liabilities				
Amounts held for others	\$ 36,499	\$ 40,374	\$ 34,032	\$ 42,841
<b>W. C. Rawls Library Fund</b>				
Assets				
Cash	\$ 125,769	\$ 1,757,534	\$ 1,657,668	\$ 225,635
Liabilities				
Amounts held for others	\$ 125,769	\$ 1,757,534	\$ 1,657,668	\$ 225,635
<b>Totals - All Agency Funds</b>				
Assets				
Cash	\$ 162,268	\$ 1,797,908	\$ 1,691,700	\$ 268,476
Total Assets	\$ 162,268	\$ 1,797,908	\$ 1,691,700	\$ 268,476
Liabilities				
Amounts held for others	\$ 162,268	\$ 1,797,908	\$ 1,691,700	\$ 268,476
Total Liabilities	\$ 162,268	\$ 1,797,908	\$ 1,691,700	\$ 268,476

## County of Southampton, Virginia

Combining Balance Sheet

Capital Projects Funds

At June 30, 2002 and 2001

	Utility Tax Building Fund	Rehab Housing - CDBG Fund	<u>Totals</u>	
			2002	2001
<b>Assets</b>				
Cash and investments	\$ 1,431,209	\$ 6,294	\$ 1,437,503	\$ 1,059,516
Accounts receivable	75,366	-	75,366	61,712
Due from other governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>937,924</u>
 Total Assets	 <u>\$ 1,506,575</u>	 <u>\$ 6,294</u>	 <u>\$ 1,512,869</u>	 <u>\$ 2,059,152</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 12,499	\$ -	\$ 12,499	\$ 140,887
 Total Liabilities	 12,499	 -	 12,499	 140,887
<b>Fund Balances</b>				
Reserve for capital projects	<u>1,494,076</u>	<u>6,294</u>	<u>1,500,370</u>	<u>1,918,265</u>
 Total Fund Balances	 <u>1,494,076</u>	 <u>6,294</u>	 <u>1,500,370</u>	 <u>1,918,265</u>
 Total Liabilities and Fund Balances	 <u>\$ 1,506,575</u>	 <u>\$ 6,294</u>	 <u>\$ 1,512,869</u>	 <u>\$ 2,059,152</u>

County of Southampton, Virginia

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Budget and Actual

Capital Projects Funds

Year Ended June 30, 2002

	Utility Tax Building Fund			Rehab Housing - CDBG Fund			Totals		Variance Favorable (Unfavorable)
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	
<b>Revenues</b>									
Other local taxes	\$ 714,000	\$ 828,904	\$ 114,904	\$ -	\$ -	\$ -	\$ 714,000	\$ 828,904	\$ 114,904
Miscellaneous	40,000	40,000	-	-	-	-	40,000	40,000	-
Revenues from use of money and property	60,556	83,076	22,520	-	-	-	60,556	83,076	22,520
Intergovernmental	<u>1,192,675</u>	<u>1,192,675</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,192,675</u>	<u>1,192,675</u>	<u>-</u>
Total Revenues	2,007,231	2,144,655	137,424	-	-	-	2,007,231	2,144,655	137,424
<b>Expenditures</b>									
General government administration	-	-	-	8,500	8,500	-	8,500	8,500	-
Parks, recreation, and cultural	125,000	137,069	(12,069)	-	-	-	125,000	137,069	(12,069)
Public safety	447,044	351,752	95,292	-	-	-	447,044	351,752	95,292
Public works	237,680	183,977	53,703	-	-	-	237,680	183,977	53,703
Education	2,692,675	2,844,013	(151,338)	-	-	-	2,692,675	2,844,013	(151,338)
Community development	-	-	-	-	-	-	-	-	-
Debt service	<u>995,830</u>	<u>190,209</u>	<u>805,621</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>995,830</u>	<u>190,209</u>	<u>805,621</u>
Total Expenditures	<u>4,498,229</u>	<u>3,707,020</u>	<u>791,209</u>	<u>8,500</u>	<u>8,500</u>	<u>-</u>	<u>4,506,729</u>	<u>3,715,520</u>	<u>791,209</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,490,998)	(1,562,365)	928,633	(8,500)	(8,500)	-	(2,499,498)	(1,570,865)	928,633

	Utility Tax Building Fund			Rehab Housing - CDBG Fund			Totals		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>Other Financing Sources (Uses)</b>									
Proceeds of debt and capital leases	1,500,000	1,689,028	189,028	-	-	-	1,500,000	1,689,028	189,028
Transfer from reserves	990,998	-	(990,998)	8,500	-	(8,500)	999,498	-	(999,498)
Operating transfers in	-	-	-	-	-	-	-	-	-
Operating transfers (out)	-	(536,058)	(536,058)	-	-	-	-	(536,058)	(536,058)
Total Other Financing Sources (Uses)	<u>2,490,998</u>	<u>1,152,970</u>	<u>(1,338,028)</u>	<u>8,500</u>	<u>-</u>	<u>(8,500)</u>	<u>2,499,498</u>	<u>1,152,970</u>	<u>(1,346,528)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>(409,395)</u>	<u>\$ (409,395)</u>	<u>\$ -</u>	<u>(8,500)</u>	<u>\$ (8,500)</u>	<u>\$ -</u>	<u>(417,895)</u>	<u>\$ (417,895)</u>
Fund Balances - Beginning of Year		<u>1,903,471</u>			<u>14,794</u>			<u>1,918,265</u>	
Fund Balances - End of Year		<u>\$ 1,494,076</u>			<u>\$ 6,294</u>			<u>\$ 1,500,370</u>	

County of Southampton, Virginia

Statement of Revenues - Budget and Actual

Governmental Funds

Year Ended June 30, 2002

<u>Fund, Major, and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Primary Government</b>			
<b>General Fund</b>			
<b>Revenue from Local Sources</b>			
<b>General Property Taxes</b>			
Real property taxes	\$ 4,942,880	\$ 4,905,527	\$ (37,353)
Mobile home taxes	60,161	57,050	(3,111)
Personal property taxes	3,326,790	3,605,631	278,841
Public service corporation property taxes	312,572	317,414	4,842
Machinery and tools taxes	673,632	682,369	8,737
Farm implement/machinery seasonal taxes	303,256	319,506	16,250
Merchants' capital and contractors' equipment	183,381	180,120	(3,261)
Delinquent taxes	215,000	245,610	30,610
Interest on taxes	48,000	50,486	2,486
Penalties on taxes	107,000	126,632	19,632
Total General Property Taxes	10,172,672	10,490,345	317,673
<b>Other Local Taxes</b>			
Local sales and use taxes	300,000	328,783	28,783
Business license taxes	99,600	86,144	(13,456)
Franchise taxes	12,000	12,867	867
Motor vehicle licenses	285,000	305,826	20,826
Tax on recordation and wills	45,000	77,396	32,396
Total Other Local Taxes	741,600	811,016	69,416
<b>Permits, Privilege Fees, and Regulatory Licenses</b>			
Animal licenses	22,000	20,217	(1,783)
Building permits	65,000	75,983	10,983
Other permits, licenses, and fees	2,150	6,153	4,003
Total Permits, Privilege Fees, and Regulatory Licenses	89,150	102,353	13,203
<b>Fines and Forfeitures</b>	355,125	444,781	89,656

<u>Fund, Major, and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenue from Use of Money and Property</b>			
Sale of land	-	42,900	42,900
Interest income	270,000	95,231	(174,769)
Total Revenue from Use of Money and Property	270,000	138,131	(131,869)
<b>Charges for Services</b>			
Miscellaneous	6,270	34,894	28,624
Service charges - tax exempt	30,351	34,325	3,974
Sheriff's fees	2,100	3,494	1,394
Commonwealth's Attorney	1,000	1,181	181
Correction and detention	22,940	30,140	7,200
Total Charges for Services	62,661	104,034	41,373
<b>Recovered Costs</b>			
City of Franklin shared costs	85,429	85,430	1
Insurance claims	14,785	17,786	3,001
Miscellaneous recoveries	32,012	55,068	23,056
Circuit Court - Isle of Wight	11,256	11,256	-
RMA - reimbursements	-	3,168	3,168
General obligation debt	28,109	28,119	10
Hospitalization insurance	26,674	26,674	-
Health and social services utilities - reimbursement	68,092	77,272	9,180
SEVAMP - visiting nurse	52,041	52,041	-
Jurors and witnesses - reimbursement	8,588	8,858	270
Total Recovered Costs	326,986	365,672	38,686
<b>Miscellaneous</b>			
Miscellaneous	1,351	1,594	243
Industrial corridor tax revenue	500,000	510,000	10,000
Camp Campbell Foundation	130,600	130,600	-
Total Miscellaneous	631,951	642,194	10,243
Total Revenue from Local Sources	12,650,145	13,098,526	448,381
<b>Intergovernmental</b>			
<b>Revenue from the Commonwealth</b>			
<i>Non-Categorical Aid</i>			
ABC profits	31,053	39,959	8,906
Wine taxes	18,381	20,720	2,339
Rolling stock taxes - motor vehicle carriers tax	50,000	40,237	(9,763)
Mobile home titling tax	70,000	73,873	3,873
Recordation and grantors' tax - state	37,702	38,285	583
Recycle grant	1,731	1,731	-
Total Non-Categorical Aid	208,867	214,805	5,938

<u>Fund, Major, and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Categorical Aid</i>			
Shared Expenses			
Commonwealth's Attorney	292,268	289,977	(2,291)
Sheriff and Sheriff's auto	2,428,618	2,399,989	(28,629)
Commissioner of the Revenue	90,354	84,157	(6,197)
Treasurer	92,220	89,547	(2,673)
Medical Examiners	900	60	(840)
Electoral Board and General Registrar	43,382	41,225	(2,157)
Clerk - fringe benefits	9,953	9,230	(723)
Jail operations	474,254	474,254	-
Jail beds	-	22,652	22,652
Extradition expenses	4,369	4,369	-
Virginia Commission for the Arts	5,000	5,000	-
Miscellaneous state grants	-	366	366
Litter Control Grant	12,714	12,714	-
FEMA Grant	-	1,486	1,486
Circuit Court Grant	-	1,134	1,134
Highway Safety Grant	2,803	-	(2,803)
School Resource Officer	21,098	15,823	(5,275)
Victim Witness Grant	49,374	49,023	(351)
VDOT - salaries	30,855	30,855	-
Comprehensive Services Act	36,910	24,995	(11,915)
Total Categorical Aid	<u>3,595,072</u>	<u>3,556,856</u>	<u>(38,216)</u>
Total Revenue from the Commonwealth	3,803,939	3,771,661	(32,278)
<b>Revenue from the Federal Government</b>			
FEMA Grant	-	4,459	4,459
Local Law Enforcement - Block Grant	5,936	5,936	-
Total Revenue from the Federal Government	<u>5,936</u>	<u>10,395</u>	<u>4,459</u>
Total Intergovernmental Revenue	<u>3,809,875</u>	<u>3,782,056</u>	<u>(27,819)</u>
Total General Fund	16,460,020	16,880,582	420,562
<b>Special Revenue Funds</b>			
<b>Virginia Public Assistance Fund</b>			
<b>Revenue from the Commonwealth</b>			
<i>Categorical Aid</i>			
Public assistance and welfare administration	476,473	429,781	(46,692)
<b>Revenue from the Federal Government</b>			
<i>Categorical Aid</i>			
Public assistance and welfare administration	1,193,814	1,076,825	(116,989)
Total Intergovernmental Revenue	<u>1,670,287</u>	<u>1,506,606</u>	<u>(163,681)</u>
Total Virginia Public Assistance Fund	1,670,287	1,506,606	(163,681)

<u>Fund, Major, and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Emergency 911 Fund</b>			
<b>Revenue from Local Sources</b>			
<i>Other local taxes</i>			
Emergency telephone service taxes	97,500	107,512	10,012
Miscellaneous revenues	-	30	30
<b>Revenue from the Commonwealth</b>			
PSAP Funds	<u>34,789</u>	<u>72,536</u>	<u>37,747</u>
Total Emergency 911 Fund	132,289	180,078	47,789
<b>Law Library Fund</b>			
<b>Revenue from Local Sources</b>			
Charges for services - Law Library fees	5,388	4,654	(734)
Revenue from use of money	<u>-</u>	<u>566</u>	<u>566</u>
Total Law Library Fund	5,388	5,220	(168)
<b>Federal Grants Fund</b>			
<b>Revenue from Local Sources</b>			
Revenue from use of property	18,000	42,000	24,000
Miscellaneous	<u>15,661</u>	<u>1,925</u>	<u>(13,736)</u>
Total Revenue from Local Sources	33,661	43,925	10,264
<b>Intergovernmental Revenue</b>			
<i>Revenue from the Commonwealth</i>			
Grant for Flood Victims - FEMA state match	35,793	35,241	(552)
Demolition and removal of debris	35,382	35,382	-
<i>Revenue from the Federal Government</i>			
Flood Reclamation CIG #99	127,309	127,309	-
IPR Revenue Funds	234,853	255,837	20,984
Demolition and removal of debris	149,080	141,528	(7,552)
Thomaston Road Project	62,083	59,506	(2,577)
Grant for Flood Victims - FEMA	<u>134,226</u>	<u>132,156</u>	<u>(2,070)</u>
Total Intergovernmental Revenue	778,726	786,959	8,233
Total Federal Grants Fund	812,387	830,884	18,497
<b>Inmate Enterprise Fund</b>			
<b>Revenue from Local Sources</b>			
Charges for services	<u>11,507</u>	<u>30,850</u>	<u>19,343</u>
Total Inmate Enterprise Fund	11,507	30,850	19,343

<u>Fund, Major, and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Canteen Fund</b>			
<b>Revenue from Local Sources</b>			
Charges for services	<u>221,954</u>	<u>253,284</u>	<u>31,330</u>
Total Canteen Fund	<u>221,954</u>	<u>253,284</u>	<u>31,330</u>
<b>Forfeiture Fund</b>			
<b>Revenue from Local Sources</b>			
Revenue from use of money	-	170	170
<b>Intergovernmental Revenue</b>			
Asset forfeitures	<u>23</u>	<u>1,051</u>	<u>1,028</u>
Total Forfeiture Fund	<u>23</u>	<u>1,221</u>	<u>1,198</u>
Total Special Revenue Funds	2,853,835	2,808,143	(45,692)
<b>Capital Projects Funds</b>			
<b>Utility Tax Building Fund</b>			
<b>Revenue from Local Sources</b>			
<i>Other local taxes</i>			
Utility taxes	714,000	828,904	114,904
Miscellaneous	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Total Revenue from Local Sources	754,000	868,904	114,904
<b>Revenues from Use of Money and Property</b>			
Interest income - SNAP account	-	22,520	22,520
Rental on building	<u>60,556</u>	<u>60,556</u>	<u>-</u>
Total Revenue from Use of Money and Property	60,556	83,076	22,520
<b>Intergovernmental Revenue</b>			
<i>Revenues from the Commonwealth</i>			
Grant Literary Funds	<u>1,192,675</u>	<u>1,192,675</u>	<u>-</u>
Total Intergovernmental Revenue	<u>1,192,675</u>	<u>1,192,675</u>	<u>-</u>
Total Utility Tax Building Fund	2,007,231	2,144,655	137,424
Total Capital Projects Funds	<u>2,007,231</u>	<u>2,144,655</u>	<u>137,424</u>

<u>Fund, Major, and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total Revenues - All Governmental Funds - Primary Government	21,321,086	21,833,380	512,294
<b>Component Unit - School Board</b>			
<b>School Fund</b>			
<b>Revenue from Local Sources</b>			
Charges for services	12,112	13,525	1,413
Miscellaneous	77,660	68,987	(8,673)
Recovered costs	<u>250,722</u>	<u>279,944</u>	<u>29,222</u>
Total Revenue from Local Sources	340,494	362,456	21,962
<b>Revenue from the Commonwealth</b>			
<b>Categorical Aid</b>			
Basic school aid	5,588,744	5,569,583	(19,161)
Share of state sales tax	2,400,017	2,401,307	1,290
Special education	733,623	733,623	-
Remedial education	361,425	361,425	-
Retirement and group life	209,912	195,615	(14,297)
Lottery	434,710	434,628	(82)
Social Security	365,806	379,100	13,294
School construction/debt service	283,735	283,735	-
Reduced K-3	222,422	222,422	-
Regional tuition	363,477	238,187	(125,290)
Technology and technology initiative	487,772	255,653	(232,119)
At-risk	202,416	202,416	-
Vocational education	139,878	124,937	(14,941)
Textbook payments	118,286	118,286	-
Teacher incentive	170,032	170,032	-
Additional teachers	98,151	98,151	-
At-risk four year olds	93,245	93,494	249
Gifted and talented	68,777	68,777	-
Reading intervention	42,190	42,190	-
Drop out prevention	44,892	44,690	(202)
Enrollment loss	9,903	9,903	-
Foster home children	21,265	27,411	6,146
Maintenance reserve	28,657	28,657	-
Teacher training	54,611	54,611	-
SOL teaching materials	19,105	19,105	-
Governor's academic challenge	7,907	7,907	-
Health incentive fund	8,931	8,931	-
General adult education	2,322	3,708	1,386
School Community Health Service	9,008	8,221	(787)
Report Card Grant	1,160	1,160	-
Special education - homebound	2,903	2,903	-
Algebra Readiness	<u>43,120</u>	<u>-</u>	<u>(43,120)</u>
Total Revenue from the Commonwealth	12,638,402	12,210,768	(427,634)

<u>Fund, Major, and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenue from the Federal Government</b>			
<b>Categorical Aid</b>			
Title I	544,724	511,723	(33,001)
Title VI-B - Flowthrough	406,031	336,265	(69,766)
ESEA class size reduction	93,124	88,582	(4,542)
Southeastern Virginia job training	57,000	49,861	(7,139)
Vocational education	70,706	71,199	493
Goals award	27,014	27,014	-
Title VI innovative education	23,325	23,325	-
School-to-work grant	31,724	31,724	-
Eisenhower Math and Science	14,532	2,490	(12,042)
IDEA Part B Silver Grant	16,292	28,701	12,409
Drug free schools	11,378	10,778	(600)
Title VI-B - Preschool	19,435	13,640	(5,795)
Adult education	11,500	11,715	215
Assistive technology	1,000	1,000	-
Total Revenue from the Federal Government	<u>1,327,785</u>	<u>1,208,017</u>	<u>(119,768)</u>
Total Intergovernmental Revenue	<u>13,966,187</u>	<u>13,418,785</u>	<u>(547,402)</u>
Total Revenues - School Fund	14,306,681	13,781,241	(525,440)
<b>School Endowment Fund</b>			
<b>Revenue from Local Sources</b>			
Revenue from use of money - investment loss	-	(5,380)	(5,380)
Donations	-	26,165	26,165
Total Revenue from Local Sources	-	20,785	20,785
<b>School Food Service Fund</b>			
<b>Revenue from Local Sources</b>			
Revenue from use of money - interest income	5,000	2,913	(2,087)
Charges for services - school cafeteria	<u>535,927</u>	<u>485,591</u>	<u>(50,336)</u>
Total Revenue from Local Sources	540,927	488,504	(52,423)
<b>Revenue from the Commonwealth</b>			
<b>Categorical Aid</b>			
School food program	16,698	15,721	(977)
<b>Revenue from the Federal Government</b>			
<b>Categorical Aid</b>			
School food program	<u>500,000</u>	<u>494,091</u>	<u>(5,909)</u>
Total Intergovernmental Revenue	<u>516,698</u>	<u>509,812</u>	<u>(6,886)</u>
Total Revenues - School Food Service Fund	<u>1,057,625</u>	<u>998,316</u>	<u>(59,309)</u>
Total Revenues - School Board Component Unit	<u>15,364,306</u>	<u>14,800,342</u>	<u>(563,964)</u>
Total Revenues - Primary Government and Component Unit	<u>\$ 36,685,392</u>	<u>\$ 36,633,722</u>	<u>\$ (51,670)</u>

County of Southampton, Virginia

Statement of Expenditures - Budget and Actual

Governmental Funds

Year Ended June 30, 2002

<u>Fund, Function, Activity, and Elements</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Primary Government</b>			
<b>General Fund</b>			
<b>General Government Administration</b>			
<i>Legislative</i>			
Board of Supervisors	\$ 195,831	\$ 190,934	\$ 4,897
<i>General and Financial Administration</i>			
County Administrator	225,322	224,078	1,244
Commissioner of Revenue	173,962	162,025	11,937
Treasurer	191,091	191,078	13
Data processing	160,485	193,114	(32,629)
Insurance	97,020	66,099	30,921
Accounting	121,950	121,514	436
Delinquent taxes	<u>56,700</u>	<u>55,074</u>	<u>1,626</u>
Total General and Financial Administration	1,026,530	1,012,982	13,548
<i>Board of Elections</i>			
Electoral Board and General Registrar	<u>115,054</u>	<u>97,498</u>	<u>17,556</u>
Total General Government Administration	1,337,415	1,301,414	36,001
<b>Judicial Administration</b>			
<i>Courts</i>			
Circuit Court	61,387	49,751	11,636
General District Court	6,110	5,721	389
Special Magistrates	1,338	970	368
Clerk of the Circuit Court	100,362	99,221	1,141
Sheriff - Bailiff	<u>347,980</u>	<u>341,410</u>	<u>6,570</u>
Total Courts	517,177	497,073	20,104
Victim Witness Program	49,567	49,023	544
Commonwealth's Attorney	<u>346,961</u>	<u>346,916</u>	<u>45</u>
Total Judicial Administration	913,705	893,012	20,693

<u>Fund, Function, Activity, and Elements</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Public Safety</b>			
Law enforcement and traffic control - Sheriff	1,190,563	1,129,571	60,992
<i>Fire and Rescue Services</i>			
Fire departments	263,011	239,173	23,838
Camp Campbell funds	113,500	113,500	-
Rescue squads	335,990	335,989	1
Emergency services	34,922	34,922	-
State forestry services	<u>11,932</u>	<u>11,931</u>	<u>1</u>
Total Fire and Rescue Services	759,355	735,515	23,840
<i>Correction and Detention</i>			
Sheriff	2,156,861	2,151,044	5,817
Probation	<u>42,636</u>	<u>32,638</u>	<u>9,998</u>
Total Correction and Detention	2,199,497	2,183,682	15,815
Inspections - Building Inspector	44,922	43,709	1,213
<i>Other Protection</i>			
Animal control	70,120	40,767	29,353
Medical Examiner	<u>1,500</u>	<u>100</u>	<u>1,400</u>
Total Other Protection	<u>71,620</u>	<u>40,867</u>	<u>30,753</u>
Total Public Safety	4,265,957	4,133,344	132,613
<b>Public Works</b>			
Maintenance of highways, streets, bridges, sidewalks, and street lights	41,000	29,564	11,436
<i>Sanitation and Waste Removal</i>			
Refuse disposal	856,442	845,241	11,201
Sanitation	<u>346,253</u>	<u>346,243</u>	<u>10</u>
Total Sanitation and Waste Removal	1,202,695	1,191,484	11,211
Maintenance of General Buildings and Grounds	<u>369,318</u>	<u>345,019</u>	<u>24,299</u>
Total Public Works	1,613,013	1,566,067	46,946

<u>Fund, Function, Activity, and Elements</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Health and Welfare</b>			
Local Health Department	268,133	268,133	-
Welfare administration - contribution	1,706	1,706	-
Contributions for the elderly	5,113	5,113	-
Professional health services	6,451	4,703	1,748
Seniors' Home health services	52,041	52,041	-
Mental health service	59,158	59,158	-
Family preservation and support	19,579	19,579	-
Comprehensive Services Act	<u>70,541</u>	<u>30,076</u>	<u>40,465</u>
Total Health and Welfare	482,722	440,509	42,213
<b>Education</b>			
School Resource Officer	30,546	30,546	-
<b>Parks, Recreation, and Cultural</b>			
Regional Library	156,812	156,812	-
Cultural Projects			
Other projects	2,500	2,500	-
RMA Project	1,500	1,500	-
Governor's Challenge	10,000	10,000	-
Historical Society	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Total Parks, Recreation, and Cultural	171,812	171,812	-
<b>Community Development</b>			
Planning and assistance	171,865	169,258	2,607
Economic Development	98,674	97,674	1,000
Soil and water conservation	7,105	7,105	-
Cooperative Extension Program	<u>62,762</u>	<u>57,066</u>	<u>5,696</u>
Total Community Development	340,406	331,103	9,303
<b>Debt Service</b>			
Principal and interest	<u>27,582</u>	<u>18,018</u>	<u>9,564</u>
Total Debt Service	<u>27,582</u>	<u>18,018</u>	<u>9,564</u>
Total General Fund	9,183,158	8,885,825	297,333
<b>Special Revenue Funds</b>			
<b>Law Library Fund</b>			
Judicial administration	5,388	5,388	-
<b>Federal Grants Fund</b>			
Community Development	812,387	812,387	-
<b>Canteen Fund</b>			
Public Safety	221,954	221,954	-
<b>Inmate Enterprise Fund</b>			
Public Safety	11,507	11,507	-



<u>Fund, Function, Activity, and Elements</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Federal Forfeiture Fund</b>			
<i>Public Safety</i>			
Sheriff	23	23	-
<b>Emergency 911 Fund</b>			
<i>Public Safety</i>			
Other protection	208,119	146,123	61,996
<b>Virginia Public Assistance Fund</b>			
<i>Health and Welfare</i>			
Eligibility	609,094	556,665	52,429
Service	392,429	375,517	16,912
Public assistance	599,209	494,967	104,242
Joint	307,204	259,061	48,143
Fuel program	21,911	6,446	15,465
View Administration	<u>58,967</u>	<u>53,599</u>	<u>5,368</u>
Total Virginia Public Assistance Fund	<u>1,988,814</u>	<u>1,746,255</u>	<u>242,559</u>
Total Special Revenue Funds	3,248,192	2,943,637	304,555
<b>Capital Projects Funds</b>			
<b>Utility Tax Building Fund</b>			
<i>Public Safety</i>			
Fire and Rescue	277,350	76,500	200,850
Sheriff's office and vehicles	<u>169,694</u>	<u>275,252</u>	<u>(105,558)</u>
Total Public Safety	447,044	351,752	95,292
<i>Public Works / Buildings and Grounds</i>			
Other capital projects	172,116	108,965	63,151
Courthouse Colonnade	-	11,656	(11,656)
GIS	<u>65,564</u>	<u>63,356</u>	<u>2,208</u>
Total Public Works / Buildings and Grounds	237,680	183,977	53,703
School project	2,692,675	2,844,013	(151,338)
Debt service	995,830	190,209	805,621
Parks, recreation, and cultural	<u>125,000</u>	<u>137,069</u>	<u>(12,069)</u>
Total Utility Tax Building Fund	<u>4,498,229</u>	<u>3,707,020</u>	<u>791,209</u>
<b>Rehab Housing - CDBG Fund</b>			
Community development - housing rehabilitation	<u>8,500</u>	<u>8,500</u>	<u>-</u>
Total Capital Projects Funds	<u>4,506,729</u>	<u>3,715,520</u>	<u>791,209</u>
Total Expenditures - All Governmental Funds - Primary Government	16,938,079	15,544,982	1,393,097

<u>Fund, Function, Activity, and Elements</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Component Unit School Board</b>			
<b>School Fund</b>			
<i>Education</i>			
Instructional costs	15,224,922	14,570,259	654,663
Administration, attendance, and health	847,232	829,588	17,644
Pupil transportation services	1,793,364	1,793,364	-
Operation and maintenance services	2,312,810	2,213,563	99,247
Facilities	173,047	147,413	25,634
Debt service - principal and interest	2,451,969	2,410,569	41,400
School food services	<u>48,383</u>	<u>46,948</u>	<u>1,435</u>
Total School Fund	22,851,727	22,011,704	840,023
<b>School Food Service Fund</b>			
School food services	<u>1,057,625</u>	<u>995,563</u>	<u>62,062</u>
Total Expenditures - Component Unit School Board	<u>23,909,352</u>	<u>23,007,267</u>	<u>902,085</u>
Total Expenditures - Primary Government and Component Unit	<u>\$ 40,847,431</u>	<u>\$ 38,552,249</u>	<u>\$ 2,295,182</u>

County of Southampton, Virginia

General Government Revenues by Source

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Property Taxes</u>	<u>Other Local Taxes</u>	<u>Permits, Privilege Fees, and Regulatory Licenses</u>	<u>Fines and Forfeitures</u>	<u>Use of Money and Property</u>	<u>Charges for Services</u>	<u>Miscellaneous</u>	<u>Recovered Costs</u>	<u>Inter-Governmental</u>	<u>Total</u>
1993	\$6,143,015	\$1,330,890	\$ 101,008	\$ 156,561	\$ 469,266	\$ 402,001	\$ 428,449	\$ 617,211	\$ 12,210,450	\$21,858,851
1994	6,310,321	1,301,981	101,605	141,560	566,779	536,359	618,884	576,896	12,573,210	22,727,595
1995	6,867,664	1,294,676	96,292	125,884	662,951	470,273	453,497	470,620	13,592,844	24,034,701
1996	7,415,036	1,426,641	94,795	123,923	717,322	568,361	430,792	441,041	14,509,354	25,727,265
1997	8,126,071	1,517,065	100,853	207,972	489,118	546,816	658,580	479,433	15,362,434	27,488,342
1998	8,494,780	1,517,838	91,224	236,855	518,675	563,231	711,422	396,399	16,287,169	28,817,593
1999	8,869,933	1,513,041	103,359	224,384	485,680	671,555	713,931	465,055	18,252,115	31,299,053
2000	9,165,401	1,572,826	100,051	219,132	609,339	629,965	882,767	686,433	18,435,035	32,300,949
2001	10,005,670	1,711,148	84,099	300,751	676,503	739,888	1,012,924	642,941	22,521,225	37,695,149
<b>2002</b>	<b>10,490,345</b>	<b>1,747,432</b>	<b>102,353</b>	<b>444,781</b>	<b>266,856</b>	<b>891,938</b>	<b>773,921</b>	<b>627,995</b>	<b>21,270,480</b>	<b>36,616,101</b>

County of Southampton, Virginia

General Government Expenditures by Function

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Administration</u>	<u>Judicial Administration</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Health and Welfare</u>	<u>Education</u>	<u>Parks, Recreation, and Cultural</u>	<u>Community Development</u>	<u>Capital Projects</u>	<u>Non-Departmental</u>	<u>Debt Service</u>	<u>Total</u>
1993	\$ 1,033,899	\$ 310,389	\$ 1,992,251	\$ 823,386	\$ 1,785,541	\$ 13,018,137	\$ 103,591	\$ 236,222	\$ 6,602,498	\$ 173,313	\$ 1,201,253	\$ 27,280,480
1994	1,031,774	333,167	2,053,801	1,008,703	1,841,799	13,959,135	106,699	719,116	2,377,700	137,321	1,548,707	25,117,922
1995	985,075	432,286	2,483,787	1,025,668	1,850,790	14,848,819	109,900	308,438	3,293,453	101,500	1,934,021	27,373,737
1996	1,062,025	531,309	2,816,703	1,177,330	1,954,887	15,111,722	115,395	345,189	1,163,411	96,500	1,876,030	26,250,501
1997	974,940	589,469	3,055,539	1,186,963	2,010,763	16,756,718	117,777	234,332	1,983,074	106,000	1,774,425	28,790,000
1998	974,211	576,240	3,347,328	1,199,709	1,967,834	17,459,667	126,310	311,973	255,192	113,000	1,748,977	28,080,441
1999	1,285,249	626,539	4,041,713	1,395,082	2,104,811	18,153,835	150,602	900,837	-	-	2,148,868	30,807,536
2000	1,421,096	688,222	4,434,489	1,399,689	2,129,549	21,409,683	152,052	456,500	-	-	1,476,631	33,567,911
2001	1,258,745	824,593	5,015,226	1,886,011	2,097,678	29,864,653	191,926	2,592,246	-	-	7,737,198	51,468,276
<b>2002</b>	<b>1,309,914</b>	<b>898,400</b>	<b>4,864,703</b>	<b>1,750,044</b>	<b>2,186,764</b>	<b>23,471,257</b>	<b>308,881</b>	<b>1,143,490</b>	-	-	<b>2,618,796</b>	<b>38,552,249</b>

## County of Southampton, Virginia

## Assessed Value of Taxable Property

## Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Real Estate</u>	<u>Personal Property</u>	<u>Mobile Homes</u>	<u>Machinery and Tools<sup>(1)</sup></u>	<u>Merchant's Capital</u>	<u>Public Service Corporation</u>		<u>Total</u>
						<u>Real Estate</u>	<u>Personal Property</u>	
1993	\$ 581,289,100	\$ 43,229,688	\$ 7,391,715	\$ 32,145,509	\$ 6,195,089	\$ 39,177,079	\$ 93,989	\$ 709,522,169
1994	590,509,958	45,928,127	7,721,934	31,926,381	5,806,835	42,081,231	80,069	724,054,535
1995	592,974,400	49,902,766	7,766,086	40,904,061	6,274,757	44,927,238	71,165	742,820,473
1996	595,370,500	62,379,165	7,789,558	36,560,161	5,934,673	42,013,387	74,158	750,121,602
1997	697,615,500	66,602,387	8,514,551	42,320,137	6,565,073	45,767,268	54,851	867,439,767
1998	707,644,400	71,135,609	9,138,762	45,261,503	6,507,856	49,254,941	45,472	888,988,543
1999	720,095,600	71,557,399	10,148,462	49,759,875	6,245,087	45,407,342	35,538	903,249,303
2000	732,026,100	75,738,524	10,513,608	54,047,142	6,637,609	45,240,404	45,256	924,248,643
2001	828,455,500	84,102,464	10,026,895	52,122,708	6,406,037	51,950,044	22,800	1,033,086,448
<b>2002</b>	<b>841,424,800</b>	<b>92,984,489</b>	<b>10,328,370</b>	<b>53,748,480</b>	<b>6,133,903</b>	<b>52,733,316</b>	<b>25,357</b>	<b>1,057,378,715</b>

<sup>(1)</sup>Includes farm machinery and contractor's equipment.

## Property Tax Rates - Last Ten Fiscal Years

## Tax Rates per Hundred Dollars of Assessed Valuation

<u>Fiscal Year</u>	<u>Real Estate</u>	<u>Personal Property</u>	<u>Mobile Homes</u>	<u>Machinery and Tools</u>	<u>Farm Machinery and Seasonal</u>	<u>Merchant's Capital</u>	<u>Public Service Corporation</u>	
							<u>Real Estate</u>	<u>Personal Property</u>
1993	.56	4.00	.56	2.40	2.00	.50	.56	4.00
1994	.56	4.00	.56	2.40	2.00	.50	.56	4.00
1995	.60	4.00	.60	2.40	2.00	.50	.60	4.00
1996	.60	4.00	.60	2.40	2.00	.50	.60	4.00
1997	.58	4.00	.58	2.40	2.00	.50	.58	4.00
1998	.58	4.00	.58	2.40	1.95/1.25	.50	.58	4.00
1999	.61	4.00	.61	2.40	1.95/1.25	.50	.61	4.00
2000	.61	4.00	.61	2.40	1.95/1.25	.50	.61	4.00
2001	.60	4.00	.60	2.40	1.95/1.25	.50	.60	4.00
<b>2002</b>	<b>.60</b>	<b>4.00</b>	<b>.60</b>	<b>2.40</b>	<b>1.95/1.25</b>	<b>.50</b>	<b>.60</b>	<b>4.00</b>

### County of Southampton, Virginia

#### Property Tax Levies and Collections

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Outstanding Delinquent Taxes to Tax Levy</u>
1993	\$6,016,502	\$ 5,781,247	96.09%	\$ 242,488	\$ 6,023,735	100.12%	\$ 734,000	12.20%
1994	6,185,180	5,905,356	95.48%	264,343	6,169,699	99.75%	899,081	14.54%
1995	6,884,856	6,753,944	98.10%	113,720	6,867,664	99.75%	449,898	6.53%
1996	7,264,837	7,199,199	99.10%	215,837	7,415,036	102.07%	354,398	4.88%
1997	7,993,325	7,753,258	97.00%	215,084	7,968,342	99.69%	406,800	5.09%
1998	8,311,817	8,043,345	96.77%	278,467	8,321,812	100.12%	437,623	5.27%
1999	8,719,979	8,518,192	97.69%	187,579	8,705,771	99.84%	470,125	5.39%
2000	9,033,866	8,755,624	96.92%	227,785	8,983,409	99.44%	622,384	6.89%
2001	9,866,373	9,581,703	97.11%	228,608	9,810,311	99.43%	649,539	6.58%
<b>2002</b>	<b>10,342,181</b>	<b>10,067,617</b>	<b>97.35%</b>	<b>245,610</b>	<b>10,313,227</b>	<b>99.72%</b>	<b>783,477</b>	<b>7.58%</b>

### County of Southampton, Virginia

Ratio of Net General Bonded Debt  
to Assessed Value and Net Bonded Debt

Last Ten Fiscal Years

<u>Year</u>	<u>Population<sup>(1)</sup></u>	<u>Assessed Value (in thousands)</u>	<u>Net Bonded Debt<sup>(1)</sup></u>	<u>Ratio on Net Bonded Debt to Assessed Value</u>	<u>Bonded Debt Per Capita</u>
1993	17,500	\$ 709,522	\$ 12,426,600 *	.0175	\$ 710.09
1994	17,500	724,055	14,221,250 *	.0196	812.64
1995	17,500	742,820	13,942,231 *	.0188	796.70
1996	17,500	750,122	12,813,825 *	.0171	732.22
1997	17,500	867,440	12,052,971 *	.0139	688.74
1998	17,500	888,989	11,111,930 *	.0125	634.97
1999	17,500	903,249	10,076,109 *	.0112	575.78
2000	17,500	924,249	14,801,734 *	.0160	845.81
2001	17,482	1,033,086	18,649,887 *	.0181	1,066.81
<b>2002</b>	<b>17,482</b>	<b>1,057,379</b>	<b>22,193,528 *</b>	<b>.0210</b>	<b>1,269.51</b>

**Notes:** <sup>(1)</sup> Per Bureau of Census.

\* Reduced by the portion of long-term general obligation bonded debt assumed by the City of Franklin, Virginia per annexation agreement and revenue bonds paid by the Enterprise Fund.

**County of Southampton, Virginia**

## Computation of Legal Debt Margin

At June 30, 2002

Total Assessed Value of Taxed Real Estate	<u>\$ 841,424,800</u>
Debt Limit - 10 Percent of Total Assessed Value	\$ 84,142,480
Amount of Debt Applicable to Debt Limit General obligation debt	<u>24,292,310</u>
Legal Debt Margin	<u>\$ 59,850,170</u>

County of Southampton, Virginia

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2002

<b>Federal Granting Agency/Recipient State Agency/ Grant Program</b>	<b>Federal Catalog Number</b>	<b>State Agency Number</b>	<b>Expenditures</b>
<b>Department of Agriculture</b>			
Pass-Through Payments			
State Department of Agriculture			
Food Distribution - USDA Food Shipments	10.555	197	\$ 58,972
Department of Social Services			
Food Stamp Cluster			
Food Stamp Program	10.551	765	1,029,032
State Administrative Matching Grants for Food Stamp Program	10.561	765	<u>193,642</u>
Food Stamp Cluster Total			1,222,674
Department of Education - Child Nutrition Cluster			
National School Lunch Program	10.555	197	362,064
National Breakfast Program	10.553	197	<u>132,027</u>
Child Nutrition Cluster Total			<u>494,091</u>
Subtotal - Department of Agriculture			1,775,737
<b>Federal Emergency Management Agency</b>			
Pass-Through Payments			
Department of Emergency Services			
Hazard Mitigation Grant	83.548	127	132,156
Disaster Relief Public Assistance	83.544	127	<u>145,987</u>
Subtotal - Federal Emergency Management Agency			278,143
<b>Department of Housing and Urban Development</b>			
Pass-Through Payments			
Department of Housing and Community Development			
Community Development Block Grants/State's Program	14.228	165	186,815
Home Investment Partnerships Program (HOME)	14.239	165	<u>255,837</u>
Subtotal - Department of Housing and Urban Development			442,652
<b>Department of Health and Human Services</b>			
Pass-Through Payments			
Department of Social Services			
Foster Care - Title IV-E	93.658	765	114,083
Low-Income Home Energy Assistance	93.568	765	9,707
Temporary Assistance to Needy Families	93.558	765	132,797
Adoption Assistance	93.659	765	5,761
Independent Living	93.674	765	433
Child Care Assistance	93.575	765	111,138
Child Care and Development Fund	93.596	765	108,693
Social Services Block Grant - Direct Social Services	93.667	765	248,668

<b>Federal Granting Agency/Recipient State Agency/ Grant Program</b>	<b>Federal Catalog Number</b>	<b>State Agency Number</b>	<b>Expenditures</b>
Family Preservation and Support Services	93.556	765	14,111
Social Services Block Grant - Refugee Assistance	93.566	765	490
State Children's Insurance Program	93.767	765	1,873
Medicaid Assistance Program Title XIX	93.778	765	<u>135,429</u>
Subtotal - Virginia Public Assistance			883,183
<b>Department of Justice</b>			
Pass-Through Payments			
Department of Criminal Justice Services			
Local Law Enforcement Grant	16.592	140	<u>5,936</u>
Subtotal - Department of Justice			5,936
<b>Department of Education</b>			
Pass-Through Payments			
Department of Education			
Special Education Cluster			
Special Education - Grants to States (Title VI Flowthrough)	84.027	197	336,265
Special Education - Preschool Grants (Title VI)	84.173	197	<u>13,640</u>
Special Education Cluster Total			349,905
Title I Grants to Local Educational Agencies	84.010	197	511,723
Special Education - Innovative Education (Title VI)	84.298	197	23,325
Adult Education - State Administrative Basic Grant	84.002	197	11,715
Vocational Education	84.048	197	71,199
Drug Free Schools and Communities	84.186	197	10,778
IDEA Part B Silver Grant	84.002	197	28,701
Assistive Technology	84.027	197	1,000
Goals	84.276	197	27,014
School-to-Work Transition	17.249	197	31,724
ESEA Class Size Reduction	84.340	197	88,582
Education for Economic Security	84.281	197	2,490
Direct Payments			
Southeastern Virginia Job Training	84.010	197	<u>49,861</u>
Subtotal - Department of Education			<u>1,208,017</u>
Grand Totals			<u>\$ 4,593,668</u>

## Notes to Schedule of Expenditures of Federal Awards

### **1** *Basis of Presentation*

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the County and is presented on GAAP. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

### **2** *Food Stamps*

Nonmonetary assistance in the form of food stamps amounting to \$1,029,032 are reported in the schedule at fair market value of the food stamps at the time of receipt.

### **3** *Commodities – Food Distribution*

Nonmonetary assistance in the form of food distribution amounting to \$58,972 for the schools is reported in the schedule as being received and disbursed.

County of Southampton, Virginia

Jail Canteen and Other Revenue and Expense Information

Year Ended June 30, 2002

	<u>Inmate Canteen</u>		<u>Jail Telephone Commission</u>		<u>Inmate Medical Co-payments</u>		<u>Other Inmate Collections and Work Release</u>		<u>Totals</u>	
	<u>Revenues</u>	<u>Expenditures</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Revenues</u>	<u>Expenditures</u>
Canteen Fund #736	\$ 114,968	\$ 106,312	\$ 32,427	\$ 85,945	\$ 5,608	\$ -	\$ 100,281	\$ 29,697	\$ 253,284	\$ 221,954
Inmate Enterprise Fund #737	-	-	6,495	630	1,391	-	22,964	10,877	30,850	11,507
Total	<u>\$ 114,968</u>	<u>\$ 106,312</u>	<u>\$ 38,922</u>	<u>\$ 86,575</u>	<u>\$ 6,999</u>	<u>\$ -</u>	<u>\$ 123,245</u>	<u>\$ 40,574</u>	<u>\$ 284,134</u>	<u>\$ 233,461</u>



**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Members of the  
Board of Supervisors  
County of Southampton, Virginia

We have audited the general purpose financial statements of the County of Southampton, Virginia, as of and for the year ended June 30, 2002, and have issued our report thereon dated November 7, 2002, which is qualified due to lack of a General Fixed Asset Account Group. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

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

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the County of Southampton, Virginia's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.



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

South Hill, Virginia  
November 7, 2002

Creedle, Jones, and Alga, P. C.  
Certified Public Accountants



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable Members of the  
Board of Supervisors  
County of Southampton, Virginia

**Compliance**

We have audited the compliance of the County of Southampton, Virginia with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2002. The County of Southampton, Virginia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County of Southampton, Virginia's management. Our responsibility is to express an opinion on the County of Southampton, Virginia's compliance based on our audit.

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

In our opinion, the County of Southampton, Virginia complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

**Internal Control Over Compliance**

The management of the County of Southampton, Virginia is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County of Southampton, Virginia's internal control over compliance with requirements that could have a



direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

Credle, Jones, and Alga, P. C.  
Certified Public Accountants

South Hill, Virginia  
November 7, 2002

## County of Southampton, Virginia

### Schedule of Findings and Questioned Costs

Year Ended June 30, 2002

#### SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses a qualified opinion on the financial statements of the County of Southampton, Virginia due to the lack of a General Fixed Asset Account Group.
2. No reportable conditions relating to the audit of the financial statements are reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the County of Southampton, Virginia were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for the County of Southampton, Virginia expresses an unqualified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for the County of Southampton, Virginia to be reported in this schedule.
7. The programs tested as major programs included:
  - Department of Agriculture
    - a. Child Nutrition Cluster (School Breakfast Program and National School Lunch Program)
  - Department of Social Services
    - a. Food Stamp Cluster
  - Department of Education
    - a. Title I
    - b. Special Education – Title VI Flowthrough
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The County of Southampton, Virginia was not determined to be a low-risk auditee.