

COUNTY OF APPOMATTOX, VIRGINIA



ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2010

COUNTY OF APPOMATTOX, VIRGINIA

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2010

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COUNTY OF APPOMATTOX, VIRGINIA

Board of Supervisors

Thomas H. Conrad, Chairperson

Gary W. Tanner
Samuel E. Carter

William H. Craft
Jerry N. Small

School Board

Rev. J. Wesley Williams, Chairperson

Amy M. Martin
Stacy C. Garrett

R.W. Mitchell
Bobby K. Waddell

Board of Social Services

William H. Craft, Chairperson

Nelson Mann

Roberta F. Womack

Other Officials

Judge of the Circuit Court.....	Richard S. Blanton
Clerk of the Circuit Court.....	Barbara R. Williams
Judge of the General District Court	Robert Woodson, Jr.
Judge of the Juvenile and Domestic Relations Court	Marvin Dunkam
Commonwealth's Attorney	Darrel W. Puckett
Commissioner of the Revenue	Sara R. Henderson
Treasurer	Janet M. Belter
Sheriff.....	O. Wilson Staples
Superintendent of Schools.....	Dorinda G. Grasty
Director of Social Services.....	Barry Elder
County Administrator.....	Aileen T. Ferguson

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ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Appomattox, Virginia, as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Appomattox, Virginia's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Appomattox, Virginia, as of June 30, 2010, and the respective changes in financial position and cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2010, on our consideration of the County of Appomattox, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Appomattox, Virginia's basic financial statements. The introductory section, combining and individual fund financial statements, the budgetary comparison schedules, and other statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the County of Appomattox, Virginia. The Other Supplementary Information including the combining and individual fund financial statements, the budgetary comparison schedules, and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and other statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Roberson, Fann, Cox Assante

Richmond, Virginia
December 6, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

As management of the County of Appomattox, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2010. Please read it in conjunction with the transmittal letter at the front of this report and with the County's basic financial statements, which follow this section.

Financial Highlights

Government-wide Financial Statements

< The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$8,712,200 (net assets).

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported expenditures and other financing uses in excess of revenues and other financing sources of \$31,802 (Exhibit 5) after making contributions totaling \$3,115,807 to the School Board.

- < As of the close of the current fiscal year, the County's funds reported ending fund balances of \$12,175,099, a decrease of \$31,802 in comparison with the prior year.
- < At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$4,857,307, or 28% of total general fund expenditures and other uses.
- < The combined long-term obligations decreased by \$429,837 during the current fiscal year.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

Overview of the Financial Statements (Continued)

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

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

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

Other information - In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information for budgetary comparison schedules and presentation of combining financial statements for the discretely presented component unit - School Board and the component unit – Economic Development Authority. Neither the School Board nor the Economic Development Authority issues separate financial statements.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a County's financial position. In the case of the County, assets exceeded liabilities by \$8,712,200 at the close of the most recent fiscal year. The following table summarizes the County's Statement of Net Assets:

<u>County of Appomattox, Virginia's Net Assets</u>		
	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
Current and other assets	\$ 16,407,468	\$ 13,759,180
Capital assets	<u>20,482,985</u>	<u>20,591,418</u>
Total assets	<u>\$ 36,890,453</u>	<u>\$ 34,350,598</u>
Current liabilities	\$ 3,385,589	\$ 781,958
Long-term liabilities outstanding	<u>24,792,664</u>	<u>25,222,501</u>
Total liabilities	<u>\$ 28,178,253</u>	<u>\$ 26,004,459</u>
Net assets:		
Invested in capital assets, net of related debt	\$ 1,647,693	\$ 3,224,044
Unrestricted	<u>7,064,507</u>	<u>5,122,095</u>
Total net assets	<u>\$ 8,712,200</u>	<u>\$ 8,346,139</u>

Government-wide Financial Analysis (Continued)

The County's net assets decreased by \$522,077 during the current fiscal year. The following table summarizes the County's Statement of Activities

<u>County of Appomattox, Virginia's Changes in Net Assets</u>		
	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
Charges for services	\$ 368,957	\$ 351,290
Operating grants and contributions	4,379,627	5,162,798
General property taxes	8,848,772	8,900,236
Other local taxes	1,513,826	2,146,757
Grants and other contributions not restricted	1,593,775	1,096,610
Other general revenues	<u>600,247</u>	<u>428,233</u>
 Total revenues	 <u>\$ 17,305,204</u>	 <u>\$ 18,085,924</u>
 General government administration	 \$ 1,646,500	 \$ 1,475,556
Judicial administration	1,022,139	1,138,050
Public safety	3,754,255	3,796,542
Public works	2,164,106	3,482,208
Health and welfare	2,787,948	2,967,988
Education	4,241,135	4,986,375
Parks, recreation, and cultural	597,432	408,633
Community development	401,701	761,056
Interest and other fiscal charges	<u>1,212,065</u>	<u>945,374</u>
 Total expenses	 <u>\$ 17,827,281</u>	 <u>\$ 19,961,782</u>
 Change in net assets	 \$ (522,077)	 \$ (1,875,858)
 Net assets, beginning of year - as restated	 <u>9,234,277</u>	 <u>10,221,997</u>
Net assets, end of year	<u><u>\$ 8,712,200</u></u>	<u><u>\$ 8,346,139</u></u>

Financial Analysis of the County's Funds

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

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported fund balances of \$12,175,099, a decrease of \$31,802 in comparison with the prior year. Approximately 40% of this total amount constitutes unreserved General Fund balance, which is available for spending at the County's discretion.

The County Capital Projects Fund accounts for all major general public improvements. At the end of the fiscal year, the fund balance was \$6,729,823, of which \$3,375,507 was designated for current or future capital projects.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were increases of \$534,658 and can be briefly summarized as follows:

- < \$ 211,295 increase in public safety expenditures
- < \$ 137,561 increase in community development expenditures
- < \$ 101,954 increase in parks, recreation, and cultural expenditures
- < \$ 96,166 increase in health and welfare expenditures
- < \$ 60,824 increase in judicial administration expenditures
- < \$ 40,964 increase in various other expenditures
- < \$ 114,106 decrease in general government administration expenditures

The increase in budgeted General Fund expenditures resulted in an increase in the budgeted beginning General Fund balance. During the year, budgetary estimates exceeded revenues and other sources by \$139,028. Budgetary estimates exceeded expenditures and other uses by \$4,726,416 resulting in a positive variance of \$4,587,388.

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental operations as of June 30, 2010 amounts to \$20,482,985 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, and machinery and equipment.

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

Long-term debt - At the end of the current fiscal year, the County had total debt outstanding of \$24,792,664. Of this amount, \$7,265,938 comprises debt backed by the full faith and credit of the County. The remainder of the County's debt represents bonds secured solely by specified revenue sources (i.e., lease/revenue bonds).

The County's total debt decreased by \$429,837 during the current fiscal year.

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

Economic Factors and Next Year's Budgets and Rates

- ▶ The unemployment rate for the County of 8.5 percent compared to the state's average unemployment rate of 7.1 percent.
- ▶ Inflationary trends in the region compare favorably to national indexes.

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

The fiscal year 2011 budget decreased 8.31 percent, and all tax rates remained the same.

Requests for Information

This financial report is designed to provide a general overview of the County of Appomattox, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, P.O. Box 863, Appomattox, Virginia 24522.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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County of Appomattox, Virginia
Statement of Net Assets
June 30, 2010

	Primary Governmental Activities		
	Primary Governmental Activities	Component Units	
		School Board	EDA
ASSETS			
Cash and cash equivalents	\$ 7,453,346	\$ 2,498,908	\$ 11,601
Cash in custody of others	-	4,000	-
Receivables (net of allowance for uncollectibles):			
Taxes receivable	4,191,011	-	-
Accounts receivable	103,866	163,216	-
Due from other governmental units	953,803	696,652	-
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents (in custody of others)	3,375,507	-	-
Other assets:			
Unamortized bond issue costs	329,935	-	-
Capital assets (net of accumulated depreciation):			
Land	1,245,042	211,370	1,386,773
Buildings and improvements	16,642,804	8,625,233	-
Equipment	1,543,719	944,291	-
Infrastructure	48,872	-	1,517,885
Intangibles	826,476	-	-
Construction in progress	176,072	-	-
Total assets	<u>\$ 36,890,453</u>	<u>\$ 13,143,670</u>	<u>\$ 2,916,259</u>
LIABILITIES			
Accounts payable	\$ 113,199	\$ 12,764	\$ -
Accrued liabilities	-	1,755,789	-
Accrued interest payable	242,067	-	-
Due to other governmental units	-	267,344	-
Unearned revenue	3,030,323	-	-
Long-term liabilities:			
Due within one year	849,819	21,279	-
Due in more than one year	23,942,845	565,241	-
Total liabilities	<u>\$ 28,178,253</u>	<u>\$ 2,622,417</u>	<u>\$ -</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ 1,647,693	\$ 9,780,894	\$ 2,904,658
Unrestricted (deficit)	7,064,507	740,359	11,601
Total net assets	<u>\$ 8,712,200</u>	<u>\$ 10,521,253</u>	<u>\$ 2,916,259</u>
Total liabilities and net assets	<u>\$ 36,890,453</u>	<u>\$ 13,143,670</u>	<u>\$ 2,916,259</u>

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

County of Appomattox, Virginia
Statement of Activities
For the Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental	Component Units	
					Activities	School Board	EDA
PRIMARY GOVERNMENT:							
Governmental activities:							
General government administration	\$ 1,646,500	\$ -	\$ 281,400	\$ -	\$ (1,365,100)	\$ -	\$ -
Judicial administration	1,022,139	49,800	474,677	-	(497,662)	-	-
Public safety	3,754,255	177,082	1,592,071	-	(1,985,102)	-	-
Public works	2,164,106	99,661	-	-	(2,064,445)	-	-
Health and welfare	2,787,948	-	1,808,688	-	(979,260)	-	-
Education	4,241,135	-	-	-	(4,241,135)	-	-
Parks, recreation, and cultural	597,432	41,204	44,675	-	(511,553)	-	-
Community development	401,701	1,210	178,116	-	(222,375)	-	-
Interest on long-term debt	1,212,065	-	-	-	(1,212,065)	-	-
Total governmental activities	\$ 17,827,281	\$ 368,957	\$ 4,379,627	\$ -	\$ (13,078,697)	\$ -	\$ -
Total primary government	\$ 17,827,281	\$ 368,957	\$ 4,379,627	\$ -	\$ (13,078,697)	\$ -	\$ -
COMPONENT UNITS:							
School Board	\$ 20,620,171	\$ 410,094	\$ 15,752,099	\$ -	\$ -	\$ (4,457,978)	\$ -
Economic Development Authority	114,849	54,567	-	-	-	-	(60,282)
Total component units	\$ 20,735,020	\$ 464,661	\$ 15,752,099	\$ -	\$ -	\$ (4,457,978)	\$ (60,282)
General revenues:							
General property taxes					\$ 8,848,772	\$ -	\$ -
Local sales and use taxes					756,516	-	-
Consumer utility taxes					330,020	-	-
Other local taxes					427,290	-	-
Unrestricted revenues from use of money and property					156,937	6,815	555
Miscellaneous					387,633	77,567	-
Grants and contributions not restricted to specific programs					1,593,775	-	-
Payment from Appomattox County School Board					55,677	-	-
Payment from Appomattox County					-	3,892,237	-
Total general revenues					\$ 12,556,620	\$ 3,976,619	\$ 555
Change in net assets					\$ (522,077)	\$ (481,359)	\$ (59,727)
Net assets - beginning - as restated					9,234,277	11,002,612	2,975,986
Net assets - ending					\$ 8,712,200	\$ 10,521,253	\$ 2,916,259

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

FUND FINANCIAL STATEMENTS

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County of Appomattox, Virginia
Balance Sheet
Governmental Funds
June 30, 2010

	<u>General</u>	<u>County Capital Projects</u>	<u>County Special Revenue Fund</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 3,533,879	\$ 3,354,316	\$ 565,151	\$ 7,453,346
Receivables (net of allowance for uncollectibles):				
Taxes receivable	4,191,011	-	-	4,191,011
Accounts receivable	103,329	-	537	103,866
Due from other governmental units	945,540	-	8,263	953,803
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	3,375,507	-	3,375,507
Total assets	<u>\$ 8,773,759</u>	<u>\$ 6,729,823</u>	<u>\$ 573,951</u>	<u>\$ 16,077,533</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 113,199	\$ -	-	\$ 113,199
Deferred revenue	3,789,235	-	-	3,789,235
Total liabilities	<u>\$ 3,902,434</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,902,434</u>
Fund balances:				
Unreserved, designated for:				
Law library	\$ -	\$ -	\$ 24,184	\$ 24,184
Ballpark	34	-	-	34
Capital improvements	-	3,375,507	-	3,375,507
Courthouse maintenance	13,984	-	-	13,984
Cost of jail keep	-	-	38,736	38,736
Wireless grant	-	-	173,567	173,567
Unreserved, undesignated reported in:				
General fund	4,857,307	-	-	4,857,307
Special revenue funds	-	-	337,464	337,464
Capital projects funds	-	3,354,316	-	3,354,316
Total fund balances	<u>\$ 4,871,325</u>	<u>\$ 6,729,823</u>	<u>\$ 573,951</u>	<u>\$ 12,175,099</u>
Total liabilities and fund balances	<u>\$ 8,773,759</u>	<u>\$ 6,729,823</u>	<u>\$ 573,951</u>	<u>\$ 16,077,533</u>

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

County of Appomattox, Virginia
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Assets
June 30, 2010

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds		\$	12,175,099
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Capital assets, cost		\$ 32,456,413	
Less: Accumulated depreciation		<u>(11,973,428)</u>	20,482,985
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.			
			758,912
Long-term liabilities, including bonds payable and interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
Bonds and notes payable		\$ (22,210,799)	
Compensated absences		(331,649)	
OPEB liability		(38,750)	
Unamortized bond issuance costs		329,935	
Landfill accrued closure/post-closure costs		(2,211,466)	
Interest payable		<u>(242,067)</u>	(24,704,796)
Net assets of governmental activities		<u>\$</u>	<u>8,712,200</u>

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

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

	<u>General</u>	<u>County Capital Projects</u>	<u>County Special Revenue Fund</u>	<u>Total</u>
REVENUES				
General property taxes	\$ 8,912,978	\$ -	\$ -	\$ 8,912,978
Other local taxes	1,513,826	-	-	1,513,826
Permits, privilege fees, and regulatory licenses	129,010	-	-	129,010
Fines and forfeitures	39,162	-	-	39,162
Revenue from the use of money and property	143,722	12,797	418	156,937
Charges for services	197,528	-	3,257	200,785
Miscellaneous	354,202	-	33,431	387,633
Recovered costs	80,863	-	-	80,863
Intergovernmental revenues:				
Appomattox School Board	55,677	-	-	55,677
Commonwealth	4,966,949	-	129,757	5,096,706
Federal	834,408	-	42,288	876,696
Total revenues	<u>\$ 17,228,325</u>	<u>\$ 12,797</u>	<u>\$ 209,151</u>	<u>\$ 17,450,273</u>
EXPENDITURES				
Current:				
General government administration	\$ 1,538,230	\$ -	\$ -	\$ 1,538,230
Judicial administration	884,246	-	-	884,246
Public safety	3,581,419	-	-	3,581,419
Public works	1,504,094	-	-	1,504,094
Health and welfare	2,752,940	-	-	2,752,940
Education	3,126,710	-	-	3,126,710
Parks, recreation, and cultural	577,436	-	-	577,436
Community development	382,205	-	-	382,205
Capital projects	1,130,797	322,931	-	1,453,728
Debt service:				
Principal retirement	719,698	-	-	719,698
Interest and other fiscal charges	972,124	380,606	-	1,352,730
Total expenditures	<u>\$ 17,169,899</u>	<u>\$ 703,537</u>	<u>\$ -</u>	<u>\$ 17,873,436</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 58,426</u>	<u>\$ (690,740)</u>	<u>\$ 209,151</u>	<u>\$ (423,163)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 1,930,410	\$ -	\$ -	\$ 1,930,410
Transfers out	-	(1,896,092)	(34,318)	(1,930,410)
Issuance of refunding bonds	-	14,605,000	-	14,605,000
Premium on refunding bonds issued	-	339,861	-	339,861
Redemption of refunding bonds	-	(14,553,500)	-	(14,553,500)
Total other financing sources (uses)	<u>\$ 1,930,410</u>	<u>\$ (1,504,731)</u>	<u>\$ (34,318)</u>	<u>\$ 391,361</u>
Net change in fund balances	\$ 1,988,836	\$ (2,195,471)	\$ 174,833	\$ (31,802)
Fund balances - beginning	2,882,489	8,925,294	399,118	12,206,901
Fund balances - ending	<u>\$ 4,871,325</u>	<u>\$ 6,729,823</u>	<u>\$ 573,951</u>	<u>\$ 12,175,099</u>

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

County of Appomattox, Virginia
Reconciliation of Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2010

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

Net change in fund balances - total governmental funds	\$	(31,802)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period.

Capital asset additions	\$ 150,603	
Depreciation expense	<u>(1,147,174)</u>	(996,571)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(64,206)
--	--	----------

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

Principal payments	\$ 719,698	
Issuance of long-term debt	(14,605,000)	
Issuance premium	(339,861)	
Refunding of debt	14,553,500	
(Increase) decrease in bond issuance costs	139,603	
(Increase) decrease in landfill closure liability	<u>60,355</u>	528,295

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

(Increase) decrease in compensated absences	\$ 56,895	
(Increase) decrease in OPEB liability	(15,750)	
(Increase) decrease in accrued interest	<u>1,062</u>	42,207

Change in net assets of governmental activities	\$	<u>(522,077)</u>
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The notes to the financial statements are an integral part of this statement.

County of Appomattox, Virginia
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ <u>11,164</u>
LIABILITIES	
Amounts held for social services clients	\$ 5,904
Amounts held for others	4,849
Amounts held for inmates	411
Total liabilities	\$ <u>11,164</u>

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

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NOTES TO THE FINANCIAL STATEMENTS

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2010

Note 1—Summary of Significant Accounting Policies:

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

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

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

Government-wide and Fund Financial Statements

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

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

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

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

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

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

Budgetary Comparison Schedules - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the GASB 34 reporting model, governments provide budgetary comparison information in their annual reports, including a requirement to report the government's original budget with the comparison of final budget and actual results.

A. Financial Reporting Entity

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

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

B. Individual Component Unit Disclosures

Blended Component Unit. The County has no blended component units at June 30, 2010.

Discretely Presented Component Units. The School Board members are elected by the citizens of Appomattox County. The School Board is responsible for the operations of the County's School System within the County boundaries. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Fund does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2010.

The Economic Development Authority of Appomattox County is responsible for industrial and commercial development in the County. The Authority consists of members that are appointed by the Board of Supervisors. The Authority is fiscally dependent on the County, and therefore, it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2010. The Economic Development Authority does not issue a separate financial report.

C. Other Related Organizations Included in the County's Financial Report

None

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

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

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

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

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

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

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

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

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

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

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

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

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

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

1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. The County reports the General Fund as a major governmental fund.

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

Capital Projects Funds - Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities. The County Capital Projects Fund is reported as a major fund.

The County reports the following nonmajor governmental funds:

Special Revenue Funds: Special Revenue Funds account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

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

E. Cash and Cash Equivalents

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

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

F. Investments

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

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

G. Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$218,630 at June 30, 2010 and is comprised solely of property taxes.

Real and Personal Property Tax Data:

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

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

The County bills and collects its own property taxes.

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

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

H. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the County as land, buildings, and equipment with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. The County does not have any infrastructure in its capital assets since roads, streets, bridges and similar assets within its boundaries are the property of the Commonwealth of Virginia. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded as estimated fair market value at the date of donation.

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

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

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

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

I. Compensated Absences

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

J. Retirement Plan

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

K. Use of Estimates

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

NOTE 3—Deposits and Investments:

Deposits

All cash of the primary government and its discretely presented component units is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et. seq. of the Code of Virginia or covered by federal depository insurance.

Investments

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

Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2010 were rated by Standard and Poor's and the ratings are presented below using the Standard and Poor's rating scale. The County will minimize credit risk by limiting investments to the safest type of securities.

	Fair Quality Ratings	
	AAAm	Unrated
Local Government Investment Pool	\$ 100,000	\$ -
Money Market Mutual Fund	-	1,530,568
Total	\$ 100,000	\$ 1,530,568

Interest Rate Risk

The County will minimize the risk that the market value of securities in that portfolio will fall due to changes in general interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

External Investment Pools

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 4—Due to/from Other Governments:

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

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Other Local Governments:		
Appomattox County School Board	\$ 267,344	\$ -
Commonwealth of Virginia:		
Local sales tax	158,163	-
Welfare	36,988	-
Rolling stock tax	433	-
Auto rental tax	734	-
Comprehensive services	117,777	-
State Sales Tax	-	320,155
Wireless grant	8,263	-
Constitutional officer reimbursements	155,005	-
Recordation tax	8,479	-
Mobile home titling tax	7,210	-
Department of Forestry	26,456	-
Communications tax	99,560	-
Virginia domestic violence victim funds	10,000	-
Federal Government:		
School fund grants	-	376,497
Welfare	57,391	-
Total due from other governments	\$ <u>953,803</u>	\$ <u>696,652</u>

At June 30, 2010, amounts due to other local governments are as follows:

Other Local Governments:		
County of Appomattox	\$ <u>-</u>	\$ <u>267,344</u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 5—Capital Assets:

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

Primary Government:

	Balance July 1, 2009	Increases	Decreases	Balance June 30, 2010
Governmental activities:				
Capital assets not subject to depreciation:				
Land	\$ 1,038,296	\$ 206,746	\$ -	\$ 1,245,042
Construction in progress	665,385	-	489,313	176,072
Total capital assets not subject to depreciation	\$ 1,703,681	\$ 206,746	\$ 489,313	\$ 1,421,114
Capital assets subject to depreciation:				
Buildings	\$ 12,036,243	\$ 644,838	\$ -	\$ 12,681,081
Equipment	4,522,002	342,796	-	4,864,798
Infrastructure	21,809	36,250	-	58,059
Intangible	1,776,276	33,940	-	1,810,216
Jointly owned assets	12,245,799	56,731	681,385	11,621,145
Total capital assets being depreciated	\$ 30,602,129	\$ 1,114,555	\$ 681,385	\$ 31,035,299
Less accumulated depreciation for:				
Buildings	\$ 2,837,560	\$ 466,653	\$ -	\$ 3,304,213
Equipment	2,838,211	482,868	-	3,321,079
Infrastructure	2,181	7,006	-	9,187
Intangible	888,138	95,602	-	983,740
Jointly owned assets	4,260,164	339,410	244,365	4,355,209
Total accumulated depreciation	\$ 10,826,254	\$ 1,391,539	\$ 244,365	\$ 11,973,428
Total capital assets being depreciated, net	\$ 19,775,875	\$ (276,984)	\$ 437,020	\$ 19,061,871
Governmental capital assets, net	\$ 21,479,556	\$ (70,238)	\$ 926,333	\$ 20,482,985

Component Unit - School Board:

	Balance July 1, 2009	Increases	Decreases	Balance June 30, 2010
Governmental activities:				
Capital assets not subject to depreciation:				
Land	\$ 211,370	\$ -	\$ -	\$ 211,370
Total capital assets not subject to depreciation	\$ 211,370	\$ -	\$ -	\$ 211,370
Capital assets subject to depreciation:				
Equipment	\$ 3,216,493	\$ 269,565	\$ 59,302	\$ 3,426,756
Jointly owned assets	13,113,818	681,385	-	13,795,203
Total capital assets being depreciated	\$ 16,330,311	\$ 950,950	\$ 59,302	\$ 17,221,959
Less accumulated depreciation for:				
Equipment	\$ 2,282,929	\$ 258,838	\$ 59,302	\$ 2,482,465
Jointly owned assets	4,562,137	363,468	(244,365)	5,169,970
Total accumulated depreciation	\$ 6,845,066	\$ 622,306	\$ (185,063)	\$ 7,652,435
Total capital assets being depreciated, net	\$ 9,485,245	\$ 328,644	\$ 244,365	\$ 9,569,524
Governmental capital assets, net	\$ 9,696,615	\$ 328,644	\$ 244,365	\$ 9,780,894

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 5—Capital Assets: (Continued)

Component Unit - Economic Development Authority:

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

	<u>Balance July 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2010</u>
Business-Type activities:				
Capital assets not subject to depreciation:				
Land	\$ <u>1,386,773</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,386,773</u>
Total capital assets not subject to depreciation	\$ <u>1,386,773</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,386,773</u>
Capital assets subject to depreciation:				
Infrastructure	\$ <u>1,861,204</u>	\$ <u>55,875</u>	\$ <u>-</u>	\$ <u>1,917,079</u>
Total capital assets being depreciated	\$ <u>1,861,204</u>	\$ <u>55,875</u>	\$ <u>-</u>	\$ <u>1,917,079</u>
Less accumulated depreciation for:				
Infrastructure	\$ <u>347,076</u>	\$ <u>52,118</u>	\$ <u>-</u>	\$ <u>399,194</u>
Total accumulated depreciation	\$ <u>347,076</u>	\$ <u>52,118</u>	\$ <u>-</u>	\$ <u>399,194</u>
Total capital assets being depreciated, net	\$ <u>1,514,128</u>	\$ <u>3,757</u>	\$ <u>-</u>	\$ <u>1,517,885</u>
Business-Type capital assets, net	\$ <u><u>2,900,901</u></u>	\$ <u><u>3,757</u></u>	\$ <u><u>-</u></u>	\$ <u><u>2,904,658</u></u>

Depreciation expense was charged to functions/programs/funds as follows:

Governmental activities:

General government administration	\$ 84,046
Judicial administration	145,953
Public safety	381,453
Public works	259,201
Health and welfare	11,049
Education	411,205
Parks, recreation and cultural	55,259
Community development	<u>43,373</u>
Total Governmental activities	\$ <u><u>1,391,539</u></u>
Component Unit School Board	\$ <u><u>622,306</u></u>
Component Unit Economic Development Authority	\$ <u><u>52,118</u></u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 6—Interfund Transfers:

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ 1,930,410	\$ -
County Special Revenue Fund	-	34,318
County Capital Projects Fund	-	1,896,092
Total	<u>\$ 1,930,410</u>	<u>\$ 1,930,410</u>

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

Note 7—Long-Term Obligations:

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

	<u>Amounts Payable at July 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Amounts Payable at June 30, 2010</u>	<u>Amounts Due Within One Year</u>
Governmental Obligations:					
Incurred by County:					
Compensated absences payable	\$ 388,544	\$ -	\$ 56,895	\$ 331,649	\$ 33,165
Lease revenue bonds	14,553,500	14,605,000	14,553,500	14,605,000	65,000
Issuance premium	-	339,861	-	339,861	17,887
OPEB liability	23,000	45,500	29,750	38,750	-
Landfill postclosure care	2,271,821	-	60,355	2,211,466	-
Total incurred by County	<u>\$ 17,236,865</u>	<u>\$ 14,990,361</u>	<u>\$ 14,700,500</u>	<u>\$ 17,526,726</u>	<u>\$ 116,052</u>
Incurred by School Board:					
General obligation bonds	\$ 7,985,636	-	\$ 719,698	\$ 7,265,938	\$ 733,767
Total incurred by School Board	<u>\$ 7,985,636</u>	<u>\$ -</u>	<u>\$ 719,698</u>	<u>\$ 7,265,938</u>	<u>\$ 733,767</u>
Total General Obligations, Primary Government	<u>\$ 25,222,501</u>	<u>\$ 14,990,361</u>	<u>\$ 15,420,198</u>	<u>\$ 24,792,664</u>	<u>\$ 849,819</u>

The County issued 2010 lease revenue refunding bond in the amount of \$14,605,000 to be used to refund a 2009A and 2009B lease revenue bonds. The economic gain on the transaction was (\$865,819).

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 7—Long-Term Obligations: (Continued)

Primary Government:

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

Year Ending June 30,	County Obligations	
	Lease Revenue Bonds	
	Principal	Interest
2011	\$ 65,000	\$ 592,220
2012	175,000	585,062
2013	705,000	581,562
2014	740,000	567,462
2015	830,000	545,262
2016	875,000	519,312
2017	915,000	493,062
2018	1,215,000	461,038
2019	1,270,000	415,762
2020	1,330,000	364,962
2021	1,405,000	298,462
2022	1,490,000	228,212
2023	2,090,000	153,712
2024	150,000	67,500
2025	155,000	60,750
2026	165,000	53,776
2027	170,000	46,350
2028	420,000	38,700
2029	440,000	19,800
Total	\$ <u>14,605,000</u>	\$ <u>6,092,966</u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 7—Long-Term Obligations: (Continued)

Primary Government: (continued)

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

Year Ending June 30,	School Obligations	
	General Obligation Bonds	
	Principal	Interest
2011	\$ 733,767	\$ 343,545
2012	663,290	307,754
2013	683,319	274,064
2014	695,100	238,028
2015	662,505	202,825
2016	680,569	168,283
2017	699,327	132,792
2018	464,676	102,957
2019	476,431	78,958
2020	493,541	54,224
2021	502,253	33,854
2022	511,160	13,035
Total	\$ <u>7,265,938</u>	\$ <u>1,950,319</u>

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 7—Long-Term Obligations: (Continued)

Primary Government: (continued)

Long-term obligations at June 30, 2010 are as follows:

General Obligations:

Incurred by County:

Lease Revenue Bonds:

\$14,605,000 lease revenue bond issued April 27, 2010, payable in varying annual installments, interest at 1.00% to 5.00%, through May 1, 2029.	\$ <u>14,605,000</u>
Total lease revenue bonds	\$ <u>14,605,000</u>
Issuance premium	\$ <u>339,861</u>
OPEB liability (payable by the general fund)	\$ <u>38,750</u>
Landfill postclosure care liability (payable by the general fund)	\$ <u>2,211,466</u>
Compensated absences (payable by the general fund)	\$ <u>331,649</u>
Total Incurred by County	\$ <u>17,526,726</u>

Incurred by School Board:

General Obligation bonds

\$1,000,000 school bond issued May 5, 1994, payable in varying amounts and interest rates (6.19%-6.30%) through July 15, 2013	\$ 205,000
\$1,285,000 school bond issued August 1, 1990, payable in varying amounts and interest rates through July 15, 2015	85,000
\$3,789,949 school bond issued November 1, 1996, payable in varying amounts and interest rates through July 15, 2017	1,574,672
\$1,850,000 school bond issued October 26, 2001, payable in varying amounts and interest rates through July 15, 2021	1,305,000
\$6,512,513 school bond issued October 26, 2001, payable in varying amounts and rates through July 15, 2021	<u>4,096,266</u>
Total General Obligation Bonds	\$ <u>7,265,938</u>
Total Incurred by School Board	\$ <u>7,265,938</u>
Total General Obligations, Primary Government	\$ <u>24,792,664</u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 7—Long-Term Obligations: (Continued)

Discretely Presented Component - Unit School Board:

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

	Amounts Payable at July 1, 2009	Increases	Decreases	Amounts Payable at June 30, 2010	Amounts Due Within One Year
Component Unit-School Board:					
Early retirement liability	\$ 534,973	\$ -	\$ 19,703	\$ 515,270	\$ 21,279
OPEB liability	42,000	84,500	55,250	71,250	-
Total Component Unit-School Board	\$ 576,973	\$ 84,500	\$ 74,953	\$ 586,520	\$ 21,279

Year Ending June 30	Early Retirement Liability Payable	
	Principal	Interest
2011	\$ 21,279	\$ 41,222
2012	22,981	39,520
2013	24,820	37,681
2014	26,806	35,695
2015	28,950	33,551
2016	31,266	31,235
2017	33,767	28,734
2018	36,468	26,033
2019	39,386	23,115
2020	42,537	19,964
2021	45,940	16,561
2022	49,615	12,886
2023	53,584	8,917
2024	57,871	4,630
Total	\$ 515,270	\$ 359,744

\$703,618 VRS early retirement incentive issued July 1, 1994, payable in annual amounts of principal and interest of \$62,501 through July 1, 2024.

\$515,270

OPEB liability (payable from the School Fund)

71,250

Total Debt Incurred by the School Board (payable from the School Fund)

\$586,520

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 8—Deferred Revenue:

Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Deferred revenue totaling \$3,789,235 is comprised of the following:

Deferred Property Tax Revenue - Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$3,672,537 at June 30, 2010.

Prepaid Property Taxes - Property taxes due subsequent to June 30, 2010 but paid in advance by the taxpayers totaled \$116,698 at June 30, 2010.

Note 9— Commitments and Contingent Liabilities:

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

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

A memorandum of understanding was issued on April 12, 1999 between the County and the Town of Appomattox for the purchase of water rights. The Town entered in a financing agreement with the VRA and the County agreed to pay the Town 48.67% of the debt for the use of 146,000 gallons of water per day.

Note 10—Litigation:

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

Note 11 —Risk Management:

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

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

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 11 –Risk Management: (Continued)

The County also participates with other localities in a public entity risk pool for their coverage of general liability and auto insurance with Virginia Municipal League and public officials' liability with the Virginia Association of Counties Group Self Insurance Risk Pool. The County pays an annual premium to the pools for general insurance through member premiums. The County continues to carry commercial insurance for all other risks of loss. The Component Unit School Board carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 12 –Defined Benefit Pension Plan:

Primary Government and Discretely Presented Component Unit School Board:

A. Plan Description

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

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

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 12 – Defined Benefit Pension Plan: (Continued)

Primary Government and Discretely Presented Component Unit School Board: (Continued)

B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their annual salary to the VRS. This 5.00% member contribution may be assumed by the employer. In addition, the County and School Board are required to contribute the remaining amounts necessary to fund their participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County and School Board’s non-professional employees contribution rates for the fiscal year ended 2010 were 10.71% and 6.14% of annual covered payroll, respectively.

The School Board’s professional employees contributed \$641,116, \$939,345, and \$1,039,644, to the teacher cost-sharing pool for the fiscal years ended June 30, 2010, 2009, and 2008 respectively, and these contributions represented 8.81% (for July 2009 through March 2010 and zero (0.00%) for April through June 2010), 8.81%, and 10.30%, respectively, of current covered payroll.

C. Annual Pension Cost

For fiscal year 2010, the County’s annual pension cost of \$647,635 (which includes the employee portion assumed by the County of \$206,122) was equal to the County’s required and actual contributions.

For fiscal year 2010, the County School Board’s annual pension cost for the Board’s non-professional employees was \$76,281, (which includes the employee portion assumed by the County of \$34,238) which was equal to the Board’s required and actual contributions.

Fiscal Year Ending	Annual Pension Cost (APC) (1)	Percentage of APC Contributed	Net Pension Obligation
County:			
June 30, 2010	\$ 441,513	100%	\$ -
June 30, 2009	431,636	100%	-
June 30, 2008	382,396	100%	-
School Board:			
Non-Professional:			
June 30, 2010	\$ 42,043	100%	\$ -
June 30, 2009	42,307	100%	-
June 30, 2008	48,605	100%	-

(1) Employer portion only

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 12 – Defined Benefit Pension Plan: (Continued)

Primary Government and Discretely Presented Component Unit School Board: (Continued)

C. Annual Pension Cost (Continued)

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

D. Funded Status and Funding Progress

As of June 30, 2009, the most recent actuarial valuation date, the Primary Government plan was 81.91% funded. The actuarial accrued liability for benefits was \$18,118,217, and the actuarial value of assets was \$14,840,973, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,277,245. The covered payroll (annual payroll of active employees covered by the plan) was \$4,110,786, and ratio of the UAAL to the covered payroll was 79.72%.

As of June 30, 2009, the most recent actuarial valuation date, the School Board's Non-Professional plan was 110.24% funded. The actuarial accrued liability for benefits was \$2,051,266, and the actuarial value of assets was \$2,261,362, resulting in an unfunded actuarial accrued liability (UAAL) of (\$210,096). The covered payroll (annual payroll of active employees covered by the plan) was \$669,727, and ratio of the UAAL to the covered payroll was negative 31.37%.

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 13 –Closure and Postclosure Costs:

The County closed its landfill and is liable for postclosure monitoring for a period of thirty years. In conjunction with the closing of the landfill, an environmental engineering firm was engaged to devise a closure plan in accordance with federal and State Regulations. The \$2,211,466 reported as landfill postclosure liability at June 30, 2010, represents the estimated liability for postclosure monitoring over the remaining twenty-nine years. These amounts are based on what it would cost to perform all postclosure care in 2010. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

The County has demonstrated financial assurance requirements for closure, postclosure care, and corrective action cost through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VAC20-70 of the Virginia Administrative Code.

Note 14–Surety Bonds:

The Commonwealth of Virginia has established a Faithful Performance of Duty Bond Plan to cover the following positions:

	<u>Amount</u>
Division of Tisk Management, Faithful Performance of Duty Schedule Position Bond: Commonwealth Funds	
Barbara R. Williams, Clerk of the Circuit Court	\$ 115,430
Janet M. Belter, Treasurer	400,000
Sara R. Henderson, Commissioner of the Revenue	3,000
O. Wilson Staples, Sheriff	30,000
The above constitutional officers and subordinate employees - blanket bond	50,000

Note 15–Postemployment Benefits Other Than Pensions:

Plan Description

The County of Appomattox and the County of Appomattox Public Schools offer eligible retirees post-retirement medical and dental coverage if they retire directly from the County or Schools and are eligible to receive an early or regular retirement benefit from the Virginia Retirement System (VRS). Health benefits include medical, disability and dental coverage.

Funding Policy

The County and the Schools in Appomattox allow retirees and their spouses continue to participate in the County's medical, dental and disability coverage plans. The retiree pays 100% of all premiums. Medical and dental coverage stops at age 65 or when eligible for Medicare. Disability coverage changes to a carveout class at eligibility for Medicare and stops at age 65.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 15—Postemployment Benefits Other Than Pensions: (Continued)

Annual OPEB Cost and Net OPEB Obligation

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

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

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Annual required contribution	\$ 45,500	\$ 84,500
Interest on net OPEB obligation	1,050	1,950
Adjustment to annual required contribution	(1,050)	(1,950)
Annual OPEB cost (expense)	<u>\$ 45,500</u>	<u>\$ 84,500</u>
Estimated Contributions made	<u>(29,750)</u>	<u>(55,250)</u>
Increase in net OPEB obligation	15,750	29,250
Net OPEB obligation-beginning of year	23,000	42,000
Net OPEB obligation-end of year	<u><u>\$ 38,750</u></u>	<u><u>\$ 71,250</u></u>

The County and School Board’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2010 were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
County:			
6/30/2009	\$ 37,000	37.84%	\$ 23,000
6/30/2010	45,500	65.38%	38,750
Schools:			
6/30/2009	\$ 87,000	51.72%	\$ 42,000
6/30/2010	84,500	65.38%	71,250

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 15--Postemployment Benefits Other Than Pensions (Continued):

Funded Status and Funding Progress

As of July 1, 2008, the County's most recent actuarial accrued liability for benefits was \$822,355, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$3,862,711, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 21.29 percent.

As of July 1, 2008, the School Board's most recent actuarial accrued liability for benefits was \$1,933,645, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$10,715,957, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 18.04 percent.

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

Methods and Assumptions

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

The following simplifying assumptions were made:

Retirement age for active employees-Retirement eligible for medical benefits are assumed to occur beginning once a participant attains age 50 and completes 15 or more years of service. In no event is an active participant assumed to work beyond age 70.

Mortality-Life expectancies were based on mortality tables from the 1994 Group Annuity Mortality Tables for males and females with a one year setback in pre-retirement for males and females.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 15—Postemployment Benefits Other Than Pensions (Continued):

Methods and Assumptions (Continued)

Coverage elections - The actuary assumed that 50% of active participants who retire at age 50 or greater are assumed to continue their coverage into retirement. 25% of their spouses are assumed to continue their coverage into retirement. 100% of actives who become disabled (and 25% of their spouses) are assumed to continue their coverage.

Based on the historical and expected returns of the County and School Board's short-term investment portfolio, a discount of 4.50% was used. In addition, the projected unit credit actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2009 was thirty years.

Note 16—Adjustment to Beginning Net Assets:

The following adjustment was made to beginning net assets:

	<u>Primary Government</u>
Net assets as previously reported	\$ 8,346,139
Adjustment to intangible asset for water rights	1,776,276
Adjustment to record accumulated depreciation for water rights	<u>(888,138)</u>
Totals as adjusted	<u>\$ 9,234,277</u>

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REQUIRED SUPPLEMENTARY INFORMATION

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION:

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

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County of Appomattox, Virginia
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 9,749,974	\$ 9,749,974	\$ 8,912,978	\$ (836,996)
Other local taxes	1,518,000	1,518,000	1,513,826	(4,174)
Permits, privilege fees, and regulatory licenses	127,910	127,910	129,010	1,100
Fines and forfeitures	30,000	30,000	39,162	9,162
Revenue from the use of money and property	174,921	174,921	143,722	(31,199)
Charges for services	134,765	134,765	197,528	62,763
Miscellaneous	181,552	181,552	354,202	172,650
Recovered costs	84,185	84,185	80,863	(3,322)
Intergovernmental revenues:				
Appomattox School Board	-	-	55,677	55,677
Commonwealth	6,070,765	6,070,765	4,966,949	(1,103,816)
Federal	757,208	757,208	834,408	77,200
Total revenues	\$ 18,829,280	\$ 18,829,280	\$ 17,228,325	\$ (1,600,955)
EXPENDITURES				
Current:				
General government administration	\$ 1,809,496	\$ 1,695,390	\$ 1,538,230	\$ 157,160
Judicial administration	1,012,943	1,073,767	884,246	189,521
Public safety	3,554,904	3,766,199	3,581,419	184,780
Public works	1,777,260	1,815,224	1,504,094	311,130
Health and welfare	3,524,224	3,620,390	2,752,940	867,450
Education	3,751,940	3,751,940	3,126,710	625,230
Parks, recreation, and cultural	495,337	597,291	577,436	19,855
Community development	378,803	516,364	382,205	134,159
Capital projects	3,372,300	3,372,300	1,130,797	2,241,503
Debt service:				
Principal retirement	-	719,698	719,698	-
Interest and other fiscal charges	1,684,450	967,752	972,124	(4,372)
Total expenditures	\$ 21,361,657	\$ 21,896,315	\$ 17,169,899	\$ 4,726,416
Excess (deficiency) of revenues over (under) expenditures	\$ (2,532,377)	\$ (3,067,035)	\$ 58,426	\$ 3,125,461
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 468,483	\$ 468,483	\$ 1,930,410	\$ 1,461,927
Total other financing sources and uses	\$ 468,483	\$ 468,483	\$ 1,930,410	\$ 1,461,927
Net change in fund balances	\$ (2,063,894)	\$ (2,598,552)	\$ 1,988,836	\$ 4,587,388
Fund balances - beginning	2,063,894	2,598,552	2,882,489	283,937
Fund balances - ending	\$ -	\$ -	\$ 4,871,325	\$ 4,871,325

County of Appomattox, Virginia

Schedule of Funding Progress-Virginia Retirement System

For the Year Ended June 30, 2010

Valuation Date (1)	Actuarial Value of Assets (AVA) (2)	Actuarial Accrued Liability (AAL) (3)	Unfunded		Funded Ratio (2)/(3) (5)	Annual Covered Payroll (6)	UAAL as % of Payroll (4)/(6) (7)
			(Excess Funded) Actuarial Accrued Liability (UAAL) (3-2) (4)				
County:							
6/30/2009	\$ 14,840,973	\$ 18,118,217	\$ 3,277,244		81.91%	\$ 4,110,786	79.72%
6/30/2008	14,528,854	16,884,274	2,355,420		86.05%	3,862,711	60.98%
6/30/2007	13,009,420	15,181,452	2,172,032		85.69%	3,716,487	58.44%
6/30/2006	11,422,045	12,970,976	1,548,931		88.06%	3,204,187	48.34%
6/30/2005	10,567,651	12,474,514	1,906,863		84.71%	2,936,907	64.93%
6/30/2004	10,108,022	11,350,662	1,242,640		89.05%	2,855,983	43.51%
6/30/2003	9,776,261	10,406,571	630,310		93.94%	2,816,707	22.38%
6/30/2002	9,475,523	9,477,867	2,344		99.98%	2,748,741	0.09%
6/30/2001	9,011,744	8,769,068	(242,676)		102.77%	2,700,675	-8.99%
School Board Non-Professionals:							
6/30/2009	\$ 2,261,362	\$ 2,051,266	(210,096)		110.24%	\$ 669,727	-31.37%
6/30/2008	2,241,335	2,040,746	(200,589)		109.83%	622,331	-32.23%
6/30/2007	2,033,380	2,070,542	37,162		98.21%	795,331	4.67%
6/30/2006	1,792,492	1,875,955	83,463		95.55%	780,958	10.69%
6/30/2005	1,710,788	1,891,413	180,625		90.45%	736,895	24.51%
6/30/2004	1,678,809	1,570,229	(108,580)		106.91%	660,514	-16.44%
6/30/2003	1,669,062	1,439,863	(229,199)		115.92%	599,423	-38.24%
6/30/2002	1,675,942	1,344,901	(331,041)		124.61%	655,012	-50.54%
6/30/2001	1,610,915	1,237,113	(373,802)		130.22%	650,447	-57.47%

County of Appomattox, Virginia

Schedule of Funding Progress for Retiree Health Insurance Plan

For the Year Ended June 30, 2010

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded (Excess Funded)		Funded Ratio (2)/(3)	Annual Covered Payroll	UAAL as % of Payroll (4)/(6)
			Actuarial Accrued Liability (UAAL)	(3-2)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Primary Government:							
7/1/2008	\$ -	\$ 822,355	\$ 822,355		0.00%	\$ 3,862,711	21.29%
Discretely Presented Component Unit:							
7/1/2008	\$ -	\$ 1,933,645	\$ 1,933,645		0.00%	\$ 10,715,957	18.04%

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OTHER SUPPLEMENTARY INFORMATION

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*COMBINING AND INDIVIDUAL FUND STATEMENTS AND
SCHEDULES*

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County of Appomattox, Virginia
County Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 12,797	\$ 12,797
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,797</u>	<u>\$ 12,797</u>
EXPENDITURES				
Current:				
Capital Projects	\$ -	\$ 426,636	\$ 322,931	\$ 103,705
Debt service:				
Interest and other fiscal charges	-	-	380,606	(380,606)
Total expenditures	<u>\$ -</u>	<u>\$ 426,636</u>	<u>\$ 703,537</u>	<u>\$ (276,901)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (426,636)</u>	<u>\$ (690,740)</u>	<u>\$ (264,104)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ -	\$ -	\$ (1,896,092)	\$ (1,896,092)
Issuance of refunding bonds	-	-	14,605,000	14,605,000
Premium on refunding bonds issued	-	-	339,861	339,861
Redemption of refunding bonds	-	-	(14,553,500)	(14,553,500)
Total other financing sources and uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,504,731)</u>	<u>\$ (1,504,731)</u>
Net change in fund balances	\$ -	\$ (426,636)	\$ (2,195,471)	\$ (1,768,835)
Fund balances - beginning	-	426,636	8,925,294	8,498,658
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,729,823</u>	<u>\$ 6,729,823</u>

County of Appomattox, Virginia
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 County Special Revenue Fund
 For the Year Ended June 30, 2010

	County Special Revenue Fund				Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual		
	Original	Final			
REVENUES					
Revenue from the use of money and property	\$ -	\$ -	\$ 418		\$ 418
Charges for services	-	-	3,257		3,257
Miscellaneous	-	-	33,431		33,431
Intergovernmental revenues:					
Commonwealth	9,201	9,201	129,757		120,556
Federal	-	-	42,288		42,288
Total revenues	<u>\$ 9,201</u>	<u>\$ 9,201</u>	<u>\$ 209,151</u>		<u>\$ 199,950</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 9,201</u>	<u>\$ 9,201</u>	<u>\$ 209,151</u>		<u>\$ 199,950</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	-	-	(34,318)		(34,318)
Total other financing sources and uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (34,318)</u>		<u>\$ (34,318)</u>
Net change in fund balances	\$ 9,201	\$ 9,201	\$ 174,833		\$ 165,632
Fund balances - beginning	-	-	399,118		399,118
Fund balances - ending	<u>\$ 9,201</u>	<u>\$ 9,201</u>	<u>\$ 573,951</u>		<u>\$ 564,750</u>

County of Appomattox, Virginia
Combining Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

Agency Funds

	<u>Special Welfare</u>	<u>Jail Inmate</u>	<u>Sheriff Drug</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 5,904	\$ 411	\$ 4,849	\$ 11,164
Total assets	<u>\$ 5,904</u>	<u>\$ 411</u>	<u>\$ 4,849</u>	<u>\$ 11,164</u>
LIABILITIES				
Amounts held for social services clients	\$ 5,904	\$ -	\$ -	\$ 5,904
Amounts held for others	-	-	4,849	4,849
Amounts held for inmates	-	411	-	411
Total liabilities	<u>\$ 5,904</u>	<u>\$ 411</u>	<u>\$ 4,849</u>	<u>\$ 11,164</u>

County of Appomattox, Virginia

Fiduciary Funds

Statement of Changes in Fiduciary Net Assets - Agency Funds
For the Year Ended June 30, 2010

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Special Welfare Fund:				
Assets:				
Cash and cash equivalents	\$ 12,307	\$ 20,085	\$ 26,488	\$ 5,904
Liabilities:				
Amounts held for social services clients	\$ 12,307	\$ 20,085	\$ 26,488	\$ 5,904
Jail Inmate Fund:				
Assets:				
Cash and cash equivalents	\$ 347	\$ 29,485	\$ 29,421	\$ 411
Liabilities:				
Amounts held for inmates	\$ 347	\$ 29,485	\$ 29,421	\$ 411
Sheriff Drug Fund:				
Assets:				
Cash and cash equivalents	\$ 6,531	\$ 1,888	\$ 3,570	\$ 4,849
Liabilities:				
Amounts held for others	\$ 6,531	\$ 1,888	\$ 3,570	\$ 4,849
Totals -- All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 17,279	\$ 51,458	\$ 59,479	\$ 11,164
Liabilities:				
Amounts held for others	\$ 6,531	\$ 1,888	\$ 3,570	\$ 4,849
Amounts held for inmates	347	29,485	29,421	411
Amounts held for social services clients	12,307	20,085	26,488	5,904
Total liabilities	\$ 19,185	\$ 51,458	\$ 59,479	\$ 11,164

*DISCRETELY PRESENTED COMPONENT UNIT
SCHOOL BOARD*

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**County of Appomattox, Virginia
Combining Balance Sheet
Discretely Presented Component Unit - School Board
June 30, 2010**

	<u>School Operating Fund</u>	<u>School Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 1,295,510	\$ 1,203,398	\$ 2,498,908
Cash in custody of others	-	4,000	4,000
Receivables (net of allowance for uncollectibles):			
Accounts receivable	163,086	130	163,216
Due from other governmental units	696,652	-	696,652
Total assets	\$ 2,155,248	\$ 1,207,528	\$ 3,362,776
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 12,764	\$ -	\$ 12,764
Accrued liabilities	1,697,613	58,176	1,755,789
Due to other governmental units	267,344	-	267,344
Total liabilities	\$ 1,977,721	\$ 58,176	\$ 2,035,897
Fund balances:			
Unreserved:			
Designated for subsequent expenditure	\$ 175,527	\$ -	\$ 175,527
Undesignated	2,000	1,149,352	1,151,352
Total fund balances	\$ 177,527	\$ 1,149,352	\$ 1,326,879
Total liabilities and fund balances	\$ 2,155,248	\$ 1,207,528	\$ 3,362,776

Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because:

Total fund balances per above	\$ 1,326,879
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	9,780,894
Long-term liabilities, including VRS early retirement incentive, are not due and payable in the current period and, therefore, are not reported in the funds.	(586,520)
Net assets of governmental activities	\$ 10,521,253

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

	School Operating Fund	School Special Revenue Fund	Total Governmental Funds
REVENUES			
Revenue from the use of money and property	\$ 2,985	\$ 3,830	\$ 6,815
Charges for services	43,703	366,391	410,094
Miscellaneous	77,567	-	77,567
Recovered costs	344,608	-	344,608
Intergovernmental revenues:			
Local government	3,115,807	-	3,115,807
Commonwealth	13,020,187	13,977	13,034,164
Federal	2,174,057	543,878	2,717,935
Total revenues	<u>\$ 18,778,914</u>	<u>\$ 928,076</u>	<u>\$ 19,706,990</u>
EXPENDITURES			
Current:			
Education	\$ 19,063,898	\$ 989,694	\$ 20,053,592
Capital projects	146,988	-	146,988
Debt service:			
Principal retirement	19,703	-	19,703
Interest and other fiscal charges	42,798	-	42,798
Total expenditures	<u>\$ 19,273,387</u>	<u>\$ 989,694</u>	<u>\$ 20,263,081</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (494,473)</u>	<u>\$ (61,618)</u>	<u>\$ (556,091)</u>
Net change in fund balances	\$ (494,473)	\$ (61,618)	\$ (556,091)
Fund balances - beginning	672,000	1,210,970	1,882,970
Fund balances - ending	<u>\$ 177,527</u>	<u>\$ 1,149,352</u>	<u>\$ 1,326,879</u>

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

Net change in fund balances - total governmental funds - per above \$ (556,091)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period.

Capital asset additions	\$ 950,950	
Depreciation expense	<u>(866,671)</u>	84,279

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

Principal payments	<u>\$ 19,703</u>	19,703
--------------------	------------------	--------

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

(Increase) decrease in OPEB liability	<u>\$ (29,250)</u>	(29,250)
---------------------------------------	--------------------	----------

Change in net assets of governmental activities	<u>\$ (481,359)</u>
---	---------------------

County of Appomattox, Virginia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2010

	<u>School Operating Fund</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Revenue from the use of money and property	\$ 12,500	\$ 12,500	\$ 2,985	\$ (9,515)
Charges for services	29,300	29,300	43,703	14,403
Miscellaneous	53,000	53,000	77,567	24,567
Recovered costs	15,000	15,000	344,608	329,608
Intergovernmental revenues:				
Local government	3,741,036	3,741,036	3,115,807	(625,229)
Commonwealth	13,786,478	13,786,478	13,020,187	(766,291)
Federal	2,272,194	2,674,356	2,174,057	(500,299)
Total revenues	<u>\$ 19,909,508</u>	<u>\$ 20,311,670</u>	<u>\$ 18,778,914</u>	<u>\$ (1,532,756)</u>
EXPENDITURES				
Current:				
Education	\$ 20,127,007	\$ 20,399,169	\$ 19,063,898	\$ 1,335,271
Capital projects	20,000	150,000	146,988	3,012
Debt service:				
Principal retirement	19,703	19,703	19,703	-
Interest and other fiscal charges	42,798	42,798	42,798	-
Total expenditures	<u>\$ 20,209,508</u>	<u>\$ 20,611,670</u>	<u>\$ 19,273,387</u>	<u>\$ 1,338,283</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (300,000)</u>	<u>\$ (300,000)</u>	<u>\$ (494,473)</u>	<u>\$ (194,473)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 300,000	\$ 300,000	\$ -	\$ (300,000)
Total other financing sources and uses	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ (300,000)</u>
Net change in fund balances	\$ -	\$ -	\$ (494,473)	\$ (494,473)
Fund balances - beginning	-	-	672,000	672,000
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 177,527</u>	<u>\$ 177,527</u>

County of Appomattox, Virginia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Fund - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2010

	School Special Revenue Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 6,000	\$ 6,000	\$ 3,830	\$ (2,170)
Charges for services	419,000	419,000	366,391	(52,609)
Miscellaneous	3,500	3,500	-	(3,500)
Intergovernmental revenues:				
Commonwealth	13,161	13,161	13,977	816
Federal	434,000	434,000	543,878	109,878
Total revenues	<u>\$ 875,661</u>	<u>\$ 875,661</u>	<u>\$ 928,076</u>	<u>\$ 52,415</u>
EXPENDITURES				
Current:				
Education	\$ 970,817	\$ 970,817	\$ 989,694	\$ (18,877)
Total expenditures	<u>\$ 970,817</u>	<u>\$ 970,817</u>	<u>\$ 989,694</u>	<u>\$ (18,877)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (95,156)</u>	<u>\$ (95,156)</u>	<u>\$ (61,618)</u>	<u>\$ 33,538</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Total other financing sources and uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ (95,156)	\$ (95,156)	\$ (61,618)	\$ 33,538
Fund balances - beginning	95,156	95,156	1,210,970	1,115,814
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,149,352</u>	<u>\$ 1,149,352</u>

*DISCRETELY PRESENTED COMPONENT UNIT
ECONOMIC DEVELOPMENT AUTHORITY*

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County of Appomattox, Virginia
Statement of Net Assets
Discretely Presented Component Unit-Economic Development Authority
June 30, 2010

ASSETS

Current assets:

Cash and cash equivalents	<u>\$ 11,601</u>
---------------------------	------------------

Noncurrent assets:

Capital assets:

Land	\$ 1,386,773
------	--------------

Infrastructure	1,917,079
----------------	-----------

Less accumulated depreciation	<u>(399,194)</u>
-------------------------------	------------------

Total capital assets	<u>\$ 2,904,658</u>
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Total noncurrent assets	<u>\$ 2,904,658</u>
-------------------------	---------------------

Total assets	<u>\$ 2,916,259</u>
--------------	---------------------

NET ASSETS

Invested in capital assets, net of related debt	\$ 2,904,658
---	--------------

Unrestricted	11,601
--------------	--------

Total net assets	<u><u>\$ 2,916,259</u></u>
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County of Appomattox, Virginia
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Discretely Presented Component Unit-Economic Development Authority
For the Year Ended June 30, 2010

OPERATING REVENUES

Charges for services:

Rent	\$ 1,180
Materials and supplies	53,387
Total operating revenues	<u>\$ 54,567</u>

OPERATING EXPENSES

Other supplies and expenses	\$ 62,731
Depreciation	52,118
Total operating expenses	<u>\$ 114,849</u>

Operating income (loss)	<u>\$ (60,282)</u>
-------------------------	--------------------

NONOPERATING REVENUES (EXPENSES)

Investment earnings	\$ 555
Total nonoperating revenues (expenses)	<u>\$ 555</u>

Change in net assets	<u>\$ (59,727)</u>
----------------------	--------------------

Total net assets - beginning	2,975,986
Total net assets - ending	<u><u>\$ 2,916,259</u></u>

County of Appomattox, Virginia
Statement of Cash Flows
Discretely Presented Component Unit-Economic Development Authority
For the Year Ended June 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 54,567
Payments for operating activities	<u>(62,731)</u>
Net cash provided (used) by operating activities	<u>\$ (8,164)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Additions to capital assets	\$ (55,875)
Net cash provided (used) by capital and related financing activities	<u>\$ (55,875)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest and dividends received	\$ 555
Net cash provided (used) by investing activities	<u>\$ 555</u>

Net increase (decrease) in cash and cash equivalents (63,484)

Cash and cash equivalents - beginning	75,085
Cash and cash equivalents - ending	<u><u>\$ 11,601</u></u>

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)	\$ (60,282)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	52,118
Total adjustments	<u>\$ 52,118</u>
Net cash provided (used) by operating activities	<u><u>\$ (8,164)</u></u>

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SUPPORTING SCHEDULES

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County of Appomattox, Virginia
 Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010

Schedule 1
 Page 1 of 6

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 6,817,302	\$ 6,817,302	\$ 6,056,981	\$ (760,321)
Real and personal public service corporation taxes	375,758	375,758	386,649	10,891
Personal property taxes	1,999,239	1,999,239	1,920,031	(79,208)
Machinery and tools taxes	362,468	362,468	326,021	(36,447)
Merchant's capital taxes	95,207	95,207	96,626	1,419
Penalties	65,000	65,000	83,433	18,433
Interest	35,000	35,000	43,237	8,237
Total general property taxes	<u>\$ 9,749,974</u>	<u>\$ 9,749,974</u>	<u>\$ 8,912,978</u>	<u>\$ (836,996)</u>
Other local taxes:				
Local sales and use taxes	\$ 816,000	\$ 816,000	\$ 756,516	\$ (59,484)
Consumers' utility taxes	333,200	333,200	330,020	(3,180)
Motor vehicle licenses	280,000	280,000	342,667	62,667
Taxes on recordation and wills	88,800	88,800	84,623	(4,177)
Total other local taxes	<u>\$ 1,518,000</u>	<u>\$ 1,518,000</u>	<u>\$ 1,513,826</u>	<u>\$ (4,174)</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 7,500	\$ 7,500	\$ 7,449	\$ (51)
Permits and other licenses	120,410	120,410	121,561	1,151
Total permits, privilege fees, and regulatory licenses	<u>\$ 127,910</u>	<u>\$ 127,910</u>	<u>\$ 129,010</u>	<u>\$ 1,100</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 30,000	\$ 30,000	\$ 39,162	\$ 9,162
Total fines and forfeitures	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 39,162</u>	<u>\$ 9,162</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 90,000	\$ 90,000	\$ 60,486	\$ (29,514)
Revenue from use of property	84,921	84,921	83,236	(1,685)
Total revenue from use of money and property	<u>\$ 174,921</u>	<u>\$ 174,921</u>	<u>\$ 143,722</u>	<u>\$ (31,199)</u>
Charges for services:				
Sheriff's fees	\$ 794	\$ 794	\$ 794	\$ -
Courthouse maintenance fees	-	-	6,898	6,898
Charges for Commonwealth's Attorney	450	450	483	33
Courthouse security	-	-	31,089	31,089
Charges for sanitation and waste removal	80,557	80,557	99,661	19,104
Charges for planning and community development	-	-	1,210	1,210
Charges for correction and detention	13,944	13,944	14,264	320
Charges for other protection	1,500	1,500	1,925	425
Charges for recreation	23,520	23,520	24,173	653
Charges for library	14,000	14,000	17,031	3,031
Total charges for services	<u>\$ 134,765</u>	<u>\$ 134,765</u>	<u>\$ 197,528</u>	<u>\$ 62,763</u>
Miscellaneous revenue:				
Miscellaneous	\$ 181,552	\$ 181,552	\$ 354,202	\$ 172,650
Total miscellaneous revenue	<u>\$ 181,552</u>	<u>\$ 181,552</u>	<u>\$ 354,202</u>	<u>\$ 172,650</u>
Recovered costs:				
Refunds and recoveries	\$ 15,000	\$ 15,000	\$ 17,015	\$ 2,015
Town recoveries	69,185	69,185	63,848	(5,337)
Total recovered costs	<u>\$ 84,185</u>	<u>\$ 84,185</u>	<u>\$ 80,863</u>	<u>\$ (3,322)</u>
Total revenue from local sources	<u>\$ 12,001,307</u>	<u>\$ 12,001,307</u>	<u>\$ 11,371,291</u>	<u>\$ (630,016)</u>

County of Appomattox, Virginia
 Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010

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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from Appomattox County School Board	\$ -	\$ -	\$ 55,677	\$ 55,677
Total revenues from local governments	\$ -	\$ -	\$ 55,677	\$ 55,677
Revenue from the Commonwealth:				
Noncategorical aid:				
ABC profits	\$ 6,889	\$ 6,889	\$ -	\$ (6,889)
Wine taxes	7,222	7,222	-	(7,222)
Motor vehicle carriers' tax	500	500	-	(500)
Mobile home titling tax	35,000	35,000	28,349	(6,651)
Rolling stock tax	30,000	30,000	433	(29,567)
Auto rental tax	2,300	2,300	2,021	(279)
Additional tax on deeds	23,100	23,100	22,651	(449)
State recordation tax	23,000	23,000	36,086	13,086
Communications tax	612,000	612,000	589,839	(22,161)
Personal property tax relief funds	1,023,637	1,023,637	1,023,637	-
Payback to the Commonwealth	(112,534)	(112,534)	(113,286)	(752)
Total noncategorical aid	\$ 1,651,114	\$ 1,651,114	\$ 1,589,730	\$ (61,384)
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 313,476	\$ 313,476	\$ 275,586	\$ (37,890)
Sheriff	1,251,312	1,251,312	1,125,458	(125,854)
Commissioner of revenue	113,766	113,766	103,536	(10,230)
Treasurer	102,486	102,486	94,666	(7,820)
Medical examiner	200	200	-	(200)
Registrar/electoral board	50,000	50,000	43,198	(6,802)
Clerk of the Circuit Court	164,793	164,793	178,630	13,837
Total shared expenses	\$ 1,996,033	\$ 1,996,033	\$ 1,821,074	\$ (174,959)
Other categorical aid:				
Public assistance and welfare administration	\$ 492,326	\$ 492,326	\$ 473,291	\$ (19,035)
Comprehensive services act	1,380,604	1,380,604	600,318	(780,286)
Emergency medical services	15,186	15,186	14,374	(812)
Tobacco revitalization	259,422	259,422	170,991	(88,431)
Fire programs fund	31,981	31,981	32,423	442
Local jail block grant	88,632	88,632	72,726	(15,906)
Library grant	39,285	39,285	44,675	5,390
Part-time attorney grant	40,000	40,000	40,000	-
Department of forestry grant	45,700	45,700	26,456	(19,244)
Victim witness grant	21,981	21,981	20,461	(1,520)
Litter control grant	8,501	8,501	7,125	(1,376)
Sheriff's overtime grant	-	-	3,588	3,588

County of Appomattox, Virginia
 Schedule of Revenues - Budget and Actual
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 For the Year Ended June 30, 2010

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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid: (Continued)				
LIDS/SSA local inmate grant	\$ -	\$ -	\$ 800	\$ 800
Byrne sheriff's department grant	-	-	2,057	2,057
PSAP Virginia wireless grant	-	-	46,860	46,860
Total other categorical aid	<u>\$ 2,423,618</u>	<u>\$ 2,423,618</u>	<u>\$ 1,556,145</u>	<u>\$ (867,473)</u>
Total categorical aid	<u>\$ 4,419,651</u>	<u>\$ 4,419,651</u>	<u>\$ 3,377,219</u>	<u>\$ (1,042,432)</u>
Total revenue from the Commonwealth	<u>\$ 6,070,765</u>	<u>\$ 6,070,765</u>	<u>\$ 4,966,949</u>	<u>\$ (1,103,816)</u>
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	\$ 2,136	\$ 2,136	\$ 4,045	\$ 1,909
Categorical aid:				
Justice assistance grant	\$ -	\$ -	\$ 66,620	\$ 66,620
Public assistance and welfare administration	755,072	755,072	725,878	(29,194)
Transportation safety	-	-	19,615	19,615
Homeland security grant	-	-	18,250	18,250
Total categorical aid	<u>\$ 755,072</u>	<u>\$ 755,072</u>	<u>\$ 830,363</u>	<u>\$ 75,291</u>
Total revenue from the federal government	<u>\$ 757,208</u>	<u>\$ 757,208</u>	<u>\$ 834,408</u>	<u>\$ 77,200</u>
Total General Fund	<u>\$ 18,829,280</u>	<u>\$ 18,829,280</u>	<u>\$ 17,228,325</u>	<u>\$ (1,600,955)</u>
Special Revenue Fund:				
County Special Revenue Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 418	\$ 418
Charges for services:				
Court costs- law library	\$ -	\$ -	\$ 3,257	\$ 3,257
Miscellaneous revenue:				
Jail collections	\$ -	\$ -	\$ 7,835	\$ 7,835
Forfeited assets	-	-	596	596
Other miscellaneous	-	-	25,000	25,000
Total miscellaneous revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,431</u>	<u>\$ 33,431</u>
Revenue from the Commonwealth:				
Categorical aid:				
Wireless grant	\$ -	\$ -	\$ 120,556	\$ 120,556
Comprehensive services	9,201	9,201	9,201	-
Total categorical aid	<u>\$ 9,201</u>	<u>\$ 9,201</u>	<u>\$ 129,757</u>	<u>\$ 120,556</u>
Total revenue from the Commonwealth	<u>\$ 9,201</u>	<u>\$ 9,201</u>	<u>\$ 129,757</u>	<u>\$ 120,556</u>
Revenue from the federal government:				
Categorical aid:				
Forfeited assets	\$ -	\$ -	\$ 42,288	\$ 42,288
Total revenue from the federal government	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,288</u>	<u>\$ 42,288</u>
Total County Special Revenue Fund	<u>\$ 9,201</u>	<u>\$ 9,201</u>	<u>\$ 209,151</u>	<u>\$ 199,950</u>

County of Appomattox, Virginia
 Schedule of Revenues - Budget and Actual
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 For the Year Ended June 30, 2010

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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Capital Projects Fund:				
County Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 12,797	\$ 12,797
Total revenue from use of money and property	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,797</u>	<u>\$ 12,797</u>
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,797</u>	<u>\$ 12,797</u>
Total County Capital Projects Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,797</u>	<u>\$ 12,797</u>
Total Primary Government	<u>\$ 18,838,481</u>	<u>\$ 18,838,481</u>	<u>\$ 17,450,273</u>	<u>\$ (1,388,208)</u>
Discretely Presented Component Unit - School Board:				
Special Revenue Funds:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 2,038	\$ 2,038
Revenue from the use of property	12,500	12,500	947	(11,553)
Total revenue from use of money and property	<u>\$ 12,500</u>	<u>\$ 12,500</u>	<u>\$ 2,985</u>	<u>\$ (9,515)</u>
Charges for services:				
Charges for education	<u>\$ 29,300</u>	<u>\$ 29,300</u>	<u>\$ 43,703</u>	<u>\$ 14,403</u>
Miscellaneous revenue:				
Miscellaneous	<u>\$ 53,000</u>	<u>\$ 53,000</u>	<u>\$ 77,567</u>	<u>\$ 24,567</u>
Recovered costs:				
Tuition from other counties	\$ 15,000	\$ 15,000	\$ 340,356	\$ 325,356
Retiree health benefits	-	-	4,252	4,252
Total recovered costs	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 344,608</u>	<u>\$ 329,608</u>
Total revenue from local sources	<u>\$ 109,800</u>	<u>\$ 109,800</u>	<u>\$ 468,863</u>	<u>\$ 359,063</u>
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Appomattox	\$ 3,741,036	\$ 3,741,036	\$ 3,115,807	\$ (625,229)
Total revenues from local governments	<u>\$ 3,741,036</u>	<u>\$ 3,741,036</u>	<u>\$ 3,115,807</u>	<u>\$ (625,229)</u>
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 1,908,673	\$ 1,908,673	\$ 1,821,471	\$ (87,202)
Basic school aid	7,635,009	7,635,009	7,191,244	(443,765)
English as a second language	885	885	864	(21)
Adult secondary education	3,386	3,386	1,861	(1,525)
Gifted and talented	72,501	72,501	74,695	2,194

County of Appomattox, Virginia
 Schedule of Revenues - Budget and Actual
 Governmental Funds
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
Special Revenue Funds: (Continued)				
School Operating Fund: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Remedial education	\$ 182,058	\$ 182,058	\$ 187,568	\$ 5,510
Special education	1,272,376	1,272,376	1,168,903	(103,473)
Textbook payment	190,951	190,951	86,654	(104,297)
ISAEP	7,859	7,859	7,859	-
Vocational education	333,504	333,504	343,599	10,095
School fringes	1,008,569	1,008,569	889,704	(118,865)
Foster care	36,390	36,390	10,259	(26,131)
Occupational preparation	167,921	167,921	12,493	(155,428)
Career and technical education	34,202	34,202	7,871	(26,331)
Early reading intervention	32,490	32,490	25,528	(6,962)
Remedial Ed-Summer School	128,656	128,656	133,238	4,582
Homebound	16,309	16,309	17,140	831
School construction	146,404	146,404	-	(146,404)
Additional construction support	-	-	191,635	191,635
K-3 initiative	262,870	262,870	257,803	(5,067)
VA preschool initiative payments	-	-	245,074	245,074
At risk payments	151,655	151,655	153,242	1,587
Technology grant	154,000	154,000	154,000	-
Standards of Learning algebra readiness	26,025	26,025	28,445	2,420
Mentor teachers	3,785	3,785	6,303	2,518
Virtual advanced placement	-	-	234	234
Other state aid	10,000	10,000	2,500	(7,500)
Total categorical aid	<u>\$ 13,786,478</u>	<u>\$ 13,786,478</u>	<u>\$ 13,020,187</u>	<u>\$ (766,291)</u>
Total revenue from the Commonwealth	<u>\$ 13,786,478</u>	<u>\$ 13,786,478</u>	<u>\$ 13,020,187</u>	<u>\$ (766,291)</u>
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 455,394	\$ 455,394	\$ 467,356	\$ 11,962
Adult literacy	23,457	23,457	-	(23,457)
Vocational education	44,857	44,857	-	(44,857)
Title II Part A	110,498	110,498	101,756	(8,742)
Drug free schools	8,394	8,394	6,616	(1,778)
Title VIB	453,600	453,600	444,988	(8,612)
Goals 2000	4,851	4,851	-	(4,851)
Class size reduction	73,779	73,779	41,823	(31,956)
Preschool grant	17,367	17,367	34,573	17,206
21st Century learning grant	162,094	162,094	92,412	(69,682)
Literacy challenge	2,743	2,743	-	(2,743)
Title I - ARRA	-	92,576	172,178	79,602
Title VI-B - ARRA	-	208,994	189,512	(19,482)
Preschool - ARRA	-	5,611	5,611	-
Innovative reading programs	5,934	5,934	-	(5,934)
State fiscal stabilization funds	909,226	909,226	609,777	(299,449)
Technology - ARRA	-	12,196	-	(12,196)
Virginia preschool initiative - ARRA	-	82,785	-	(82,785)
Education technology	-	-	7,455	7,455
Total categorical aid	<u>\$ 2,272,194</u>	<u>\$ 2,674,356</u>	<u>\$ 2,174,057</u>	<u>\$ (500,299)</u>
Total revenue from the federal government	<u>\$ 2,272,194</u>	<u>\$ 2,674,356</u>	<u>\$ 2,174,057</u>	<u>\$ (500,299)</u>
Total School Operating Fund	<u>\$ 19,909,508</u>	<u>\$ 20,311,670</u>	<u>\$ 18,778,914</u>	<u>\$ (1,532,756)</u>

County of Appomattox, Virginia
 Schedule of Revenues - Budget and Actual
 Governmental Funds
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
School Special Revenue Funds: (Continued)				
School Special Revenue Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 6,000	\$ 6,000	\$ 3,830	\$ (2,170)
Charges for services:				
Cafeteria sales	\$ 419,000	\$ 419,000	\$ 366,245	\$ (52,755)
Textbook fees	-	-	146	146
Total charges for services	<u>\$ 419,000</u>	<u>\$ 419,000</u>	<u>\$ 366,391</u>	<u>\$ (52,609)</u>
Miscellaneous revenue:				
Miscellaneous	\$ 3,500	\$ 3,500	-	\$ (3,500)
Total miscellaneous revenue	<u>\$ 3,500</u>	<u>\$ 3,500</u>	<u>\$ -</u>	<u>\$ (3,500)</u>
Total revenue from local sources	<u>\$ 428,500</u>	<u>\$ 428,500</u>	<u>\$ 370,221</u>	<u>\$ (58,279)</u>
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 13,161	\$ 13,161	\$ 13,977	\$ 816
Total revenue from the Commonwealth	<u>\$ 13,161</u>	<u>\$ 13,161</u>	<u>\$ 13,977</u>	<u>\$ 816</u>
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 434,000	\$ 434,000	\$ 475,432	\$ 41,432
Commodities	-	-	68,446	68,446
Total categorical aid	<u>\$ 434,000</u>	<u>\$ 434,000</u>	<u>\$ 543,878</u>	<u>\$ 109,878</u>
Total revenue from the federal government	<u>\$ 434,000</u>	<u>\$ 434,000</u>	<u>\$ 543,878</u>	<u>\$ 109,878</u>
Total School Special Revenue Fund	<u>\$ 875,661</u>	<u>\$ 875,661</u>	<u>\$ 928,076</u>	<u>\$ 52,415</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 20,785,169</u>	<u>\$ 21,187,331</u>	<u>\$ 19,706,990</u>	<u>\$ (1,480,341)</u>

County of Appomattox, Virginia
 Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010

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<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 497,196	\$ 318,292	\$ 227,765	\$ 90,527
General and financial administration:				
County administrator	\$ 380,069	\$ 382,617	\$ 366,761	\$ 15,856
Legal services	33,000	38,000	37,188	812
Commissioner of revenue	329,084	330,899	301,211	29,688
Independent auditor	48,500	43,500	33,000	10,500
Treasurer	269,778	279,850	279,239	611
Management information systems	123,450	173,450	168,756	4,694
Total general and financial administration	<u>\$ 1,183,881</u>	<u>\$ 1,248,316</u>	<u>\$ 1,186,155</u>	<u>\$ 62,161</u>
Board of elections:				
Electoral board and officials	\$ 48,537	\$ 48,537	\$ 47,593	\$ 944
Registrar	79,882	80,245	76,717	3,528
Total board of elections	<u>\$ 128,419</u>	<u>\$ 128,782</u>	<u>\$ 124,310</u>	<u>\$ 4,472</u>
Total general government administration	<u>\$ 1,809,496</u>	<u>\$ 1,695,390</u>	<u>\$ 1,538,230</u>	<u>\$ 157,160</u>
Judicial administration:				
Courts:				
Circuit court	\$ 21,534	\$ 21,534	\$ 20,189	\$ 1,345
General district court	3,345	3,345	3,144	201
Special Magistrates	1,000	1,000	828	172
Court services unit	201,232	201,232	113,302	87,930
Juvenile and domestic relations court	5,204	5,204	4,549	655
Sheriff	78,129	78,492	77,814	678
Witness advocate grant	21,384	22,895	22,032	863
VA domestic victim grant	40,047	65,237	39,523	25,714
Clerk of the circuit court	244,371	276,316	236,922	39,394
Total courts	<u>\$ 616,246</u>	<u>\$ 675,255</u>	<u>\$ 518,303</u>	<u>\$ 156,952</u>
Commonwealth's attorney:				
Commonwealth's attorney	\$ 396,697	\$ 398,512	\$ 365,943	\$ 32,569
Total commonwealth's attorney	<u>\$ 396,697</u>	<u>\$ 398,512</u>	<u>\$ 365,943</u>	<u>\$ 32,569</u>
Total judicial administration	<u>\$ 1,012,943</u>	<u>\$ 1,073,767</u>	<u>\$ 884,246</u>	<u>\$ 189,521</u>
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 2,002,086	\$ 2,072,796	\$ 1,994,114	\$ 78,682
School resource officer	93,077	93,803	92,133	1,670
DARE	2,000	2,200	1,497	703
DMV grant	-	9,195	9,028	167
DMV traffic control grant	-	20,454	16,057	4,397
Total law enforcement and traffic control	<u>\$ 2,097,163</u>	<u>\$ 2,198,448</u>	<u>\$ 2,112,829</u>	<u>\$ 85,619</u>
Fire and rescue services:				
Fire department	\$ 163,031	\$ 163,563	\$ 164,162	\$ (599)
Ambulance and rescue services	38,720	57,015	41,828	15,187
Forestry service	11,124	11,124	9,959	1,165
Total fire and rescue services	<u>\$ 212,875</u>	<u>\$ 231,702</u>	<u>\$ 215,949</u>	<u>\$ 15,753</u>
Correction and detention:				
Sheriff	\$ 418,131	\$ 418,966	\$ 400,737	\$ 18,229
Total correction and detention	<u>\$ 418,131</u>	<u>\$ 418,966</u>	<u>\$ 400,737</u>	<u>\$ 18,229</u>

County of Appomattox, Virginia
 Schedule of Expenditures - Budget and Actual
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<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Public safety: (Continued)				
Inspections:				
Building	\$ 66,419	\$ 66,924	\$ 64,015	\$ 2,909
Total inspections	<u>\$ 66,419</u>	<u>\$ 66,924</u>	<u>\$ 64,015</u>	<u>\$ 2,909</u>
Other protection:				
Animal control	\$ 136,259	\$ 143,989	\$ 130,956	\$ 13,033
Emergency services	14,687	14,687	13,351	1,336
E-911	608,870	690,983	643,322	47,661
Road viewers				-
Medical examiner	500	500	260	240
Total other protection	<u>\$ 760,316</u>	<u>\$ 850,159</u>	<u>\$ 787,889</u>	<u>\$ 62,270</u>
Total public safety	<u>\$ 3,554,904</u>	<u>\$ 3,766,199</u>	<u>\$ 3,581,419</u>	<u>\$ 184,780</u>
Public works:				
Sanitation and waste removal:				
Refuse disposal	\$ 691,012	\$ 702,024	\$ 503,723	\$ 198,301
Tire security	42,410	42,773	31,723	11,050
Refuse collection	590,194	593,824	499,530	94,294
Total sanitation and waste removal	<u>\$ 1,323,616</u>	<u>\$ 1,338,621</u>	<u>\$ 1,034,976</u>	<u>\$ 303,645</u>
Maintenance of general buildings and grounds:				
General properties	\$ 453,644	\$ 476,603	\$ 469,118	\$ 7,485
Total maintenance of general buildings and grounds	<u>\$ 453,644</u>	<u>\$ 476,603</u>	<u>\$ 469,118</u>	<u>\$ 7,485</u>
Total public works	<u>\$ 1,777,260</u>	<u>\$ 1,815,224</u>	<u>\$ 1,504,094</u>	<u>\$ 311,130</u>
Health and welfare:				
Health:				
Local health department	\$ 130,550	\$ 130,550	\$ 113,378	\$ 17,172
Total health	<u>\$ 130,550</u>	<u>\$ 130,550</u>	<u>\$ 113,378</u>	<u>\$ 17,172</u>
Mental health and mental retardation:				
Central VA Community Services	\$ 4,228	\$ 40,228	\$ 40,228	\$ -
Central VA Commission on Aging	5,768	5,768	5,768	-
Total mental health and mental retardation	<u>\$ 9,996</u>	<u>\$ 45,996</u>	<u>\$ 45,996</u>	<u>\$ -</u>
Welfare:				
Public assistance and welfare administration	\$ 1,552,616	\$ 1,552,616	\$ 1,462,883	\$ 89,733
State and local hospitalization	4,979	5,637	5,636	1
Comprehensive services act	1,826,083	1,885,591	1,125,047	760,544
Total welfare	<u>\$ 3,383,678</u>	<u>\$ 3,443,844</u>	<u>\$ 2,593,566</u>	<u>\$ 850,278</u>
Total health and welfare	<u>\$ 3,524,224</u>	<u>\$ 3,620,390</u>	<u>\$ 2,752,940</u>	<u>\$ 867,450</u>
Education:				
Other instructional costs:				
Contributions to Community College	\$ 10,904	\$ 10,904	\$ 10,903	\$ 1
Contribution to County School Board	3,741,036	3,741,036	3,115,807	625,229
Total education	<u>\$ 3,751,940</u>	<u>\$ 3,751,940</u>	<u>\$ 3,126,710</u>	<u>\$ 625,230</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 278,449	\$ 360,484	\$ 350,601	\$ 9,883
Total parks and recreation	<u>\$ 278,449</u>	<u>\$ 360,484</u>	<u>\$ 350,601</u>	<u>\$ 9,883</u>

County of Appomattox, Virginia
 Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010

Schedule 2
 Page 3 of 4

<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Parks, recreation, and cultural: (Continued)				
Cultural enrichment:				
Contributions	\$ 29,276	\$ 29,480	\$ 28,353	\$ 1,127
Total cultural enrichment	<u>\$ 29,276</u>	<u>\$ 29,480</u>	<u>\$ 28,353</u>	<u>\$ 1,127</u>
Library:				
Public library	\$ 187,612	\$ 207,327	\$ 198,482	\$ 8,845
Total library	<u>\$ 187,612</u>	<u>\$ 207,327</u>	<u>\$ 198,482</u>	<u>\$ 8,845</u>
Total parks, recreation, and cultural	<u>\$ 495,337</u>	<u>\$ 597,291</u>	<u>\$ 577,436</u>	<u>\$ 19,855</u>
Community development:				
Planning and community development:				
Planning and zoning	\$ 126,340	\$ 172,430	\$ 167,009	\$ 5,421
Tourism	18,500	18,500	17,269	1,231
Economic development	65,191	150,916	61,576	89,340
Total planning and community development	<u>\$ 210,031</u>	<u>\$ 341,846</u>	<u>\$ 245,854</u>	<u>\$ 95,992</u>
Environmental management:				
Contribution to soil and water conservation district	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Erosion and sediment control	61,062	66,808	62,790	4,018
Litter control program	8,500	8,500	7,125	1,375
Recycling	40,570	40,570	17,027	23,543
Total environmental management	<u>\$ 120,132</u>	<u>\$ 125,878</u>	<u>\$ 96,942</u>	<u>\$ 28,936</u>
Cooperative extension program:				
Extension office	\$ 48,640	\$ 48,640	\$ 39,409	\$ 9,231
Total cooperative extension program	<u>\$ 48,640</u>	<u>\$ 48,640</u>	<u>\$ 39,409</u>	<u>\$ 9,231</u>
Total community development	<u>\$ 378,803</u>	<u>\$ 516,364</u>	<u>\$ 382,205</u>	<u>\$ 134,159</u>
Capital projects:				
Town/County Sewer Project	\$ 76,573	\$ 76,573	\$ 76,573	\$ -
CVCC Phase II	727,905	727,905	459,726	268,179
Waterline project	-	229,217	271,007	(41,790)
Regional jail	20,000	20,000	14,750	5,250
Landfill cell	2,547,822	2,318,605	308,741	2,009,864
Total capital projects	<u>\$ 3,372,300</u>	<u>\$ 3,372,300</u>	<u>\$ 1,130,797</u>	<u>\$ 2,241,503</u>
Debt service:				
Principal retirement	\$ -	\$ 719,698	\$ 719,698	\$ -
Interest and other fiscal charges	1,684,450	967,752	972,124	(4,372)
Total debt service	<u>\$ 1,684,450</u>	<u>\$ 1,687,450</u>	<u>\$ 1,691,822</u>	<u>\$ (4,372)</u>
Total General Fund	<u>\$ 21,361,657</u>	<u>\$ 21,896,315</u>	<u>\$ 17,169,899</u>	<u>\$ 4,726,416</u>

County of Appomattox, Virginia
 Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010

Schedule 2
 Page 4 of 4

<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Capital Projects Fund:				
County Capital Projects Fund:				
Capital projects:				
School capital projects	\$ -	\$ 426,636	\$ 322,931	\$ 103,705
Total capital projects	<u>\$ -</u>	<u>\$ 426,636</u>	<u>\$ 322,931</u>	<u>\$ 103,705</u>
Debt service:				
Interest and other fiscal charges	\$ -	\$ -	\$ 50,671	\$ (50,671)
Debt issuance costs	-	-	329,935	(329,935)
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 380,606</u>	<u>\$ (380,606)</u>
 Total County Capital Projects Fund	 <u>\$ -</u>	 <u>\$ 426,636</u>	 <u>\$ 703,537</u>	 <u>\$ (276,901)</u>
 Total Primary Government	 <u>\$ 21,361,657</u>	 <u>\$ 22,322,951</u>	 <u>\$ 17,873,436</u>	 <u>\$ 4,449,515</u>
 Discretely Presented Component Unit - School Board:				
Special Revenue Funds:				
School Operating Fund:				
Education:				
Administration, health, and attendance	\$ 1,177,151	\$ 1,177,153	\$ 1,093,729	\$ 83,424
Instruction costs	15,499,241	15,546,401	14,869,889	676,512
Pupil transportation	1,272,721	1,480,221	1,187,315	292,906
Operation and maintenance of school plant	2,177,894	2,195,394	1,912,965	282,429
Total education	<u>\$ 20,127,007</u>	<u>\$ 20,399,169</u>	<u>\$ 19,063,898</u>	<u>\$ 1,335,271</u>
Capital projects:				
Architectural and engineering fees	\$ 20,000	\$ 150,000	\$ 146,988	\$ 3,012
Total capital projects	<u>\$ 20,000</u>	<u>\$ 150,000</u>	<u>\$ 146,988</u>	<u>\$ 3,012</u>
Debt service:				
Principal retirement	\$ 19,703	\$ 19,703	\$ 19,703	\$ -
Interest and other fiscal charges	42,798	42,798	42,798	-
Total debt service	<u>\$ 62,501</u>	<u>\$ 62,501</u>	<u>\$ 62,501</u>	<u>\$ -</u>
 Total School Operating Fund	 <u>\$ 20,209,508</u>	 <u>\$ 20,611,670</u>	 <u>\$ 19,273,387</u>	 <u>\$ 1,338,283</u>
 School Special Revenue Fund:				
Education:				
School food services	\$ 970,817	\$ 970,817	\$ 844,198	\$ 126,619
Purchase of textbooks	-	-	21,373	(21,373)
Contribution to Appomattox County	-	-	55,677	(55,677)
Commodities	-	-	68,446	(68,446)
Total education	<u>\$ 970,817</u>	<u>\$ 970,817</u>	<u>\$ 989,694</u>	<u>\$ (18,877)</u>
 Total School Special Revenue Fund	 <u>\$ 970,817</u>	 <u>\$ 970,817</u>	 <u>\$ 989,694</u>	 <u>\$ (18,877)</u>
 Total Discretely Presented Component Unit - School Board	 <u>\$ 21,180,325</u>	 <u>\$ 21,582,487</u>	 <u>\$ 20,263,081</u>	 <u>\$ 1,319,406</u>

OTHER STATISTICAL SECTION

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Table 1

County of Appomattox, Virginia
Government-Wide Expenses by Function
Last Eight Fiscal Years (1)

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Total
2003	\$ 1,350,833	\$ 469,287	\$ 2,225,786	\$ 873,534	\$ 1,308,452	\$ 5,662,462	\$ 279,212	\$ 308,316	\$ 867,038	\$ 13,344,920
2004	828,232	532,887	2,521,928	962,971	1,505,196	4,016,627	346,118	204,635	893,530	11,812,124
2005	1,170,807	583,153	2,835,043	1,352,780	1,660,989	4,469,140	487,671	146,870	855,233	13,561,686
2006	1,339,431	815,114	2,865,601	1,666,280	1,797,968	4,359,925	247,760	446,936	986,249	14,525,264
2007	1,306,507	1,052,434	3,177,263	1,346,568	2,309,238	4,548,847	(76,008)	546,808	958,613	15,170,270
2008	1,717,318	1,059,914	3,568,696	1,854,655	2,790,885	4,778,638	377,658	285,603	862,965	17,296,332
2009	1,475,556	1,138,050	3,796,542	3,482,208	2,967,988	4,986,375	408,633	761,056	945,374	19,961,782
2010	1,646,500	1,022,139	3,754,255	2,164,106	2,787,948	4,241,135	597,432	401,701	1,212,065	17,827,281

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

Table 2

**County of Appomattox, Virginia
Government-Wide Revenues
Last Eight Fiscal Years (1)**

Fiscal Year	PROGRAM REVENUES			GENERAL REVENUES							Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	Gain on Transfer of Capital Assets		
2003	\$ 328,181	\$ 3,099,413	\$ -	\$ 5,812,820	\$ 1,858,039	\$ 127,092	\$ 251,816	\$ 1,091,251	\$ -	\$ 12,568,612	
2004	370,207	2,973,267	-	5,900,440	1,893,037	133,187	113,922	1,132,562	-	12,516,622	
2005	415,174	3,125,215	-	6,053,467	2,034,091	217,978	124,788	1,097,634	557,600	13,625,947	
2006	361,753	3,908,749	-	6,698,006	2,340,139	448,053	130,250	1,184,428	-	15,071,378	
2007	457,380	4,511,884	-	7,958,743	2,184,586	591,753	135,756	1,182,599	-	17,022,701	
2008	448,455	4,330,058	-	8,329,989	2,241,637	516,691	140,251	1,153,964	-	17,161,045	
2009	351,290	5,162,798	-	8,900,236	2,146,757	145,117	229,763	1,149,963	-	18,085,924	
2010	368,957	4,379,627	-	8,848,772	1,513,826	156,937	387,633	1,649,452	-	17,305,204	

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

Table 3

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

Fiscal Year	General Government Administration			Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Debt Service	Total
	Government Administration	Judicial Administration									
2001	\$ 1,171,267	\$ 401,435	\$ 2,003,528	\$ 812,715	\$ 1,175,006	\$ 16,957,619	\$ 380,524	\$ 413,250	\$ 1,388,851	\$ 24,704,195	
2002	1,160,704	376,121	2,067,344	771,847	1,294,041	14,911,401	281,060	227,479	8,833,136	29,923,133	
2003	1,324,054	422,762	2,543,582	833,480	1,296,522	15,376,358	266,705	308,316	4,356,374	26,728,153	
2004	983,619	533,588	2,469,062	799,778	1,380,790	15,867,065	296,380	204,635	1,677,438	24,212,355	
2005	1,120,819	633,237	2,897,984	1,252,657	1,615,123	17,502,540	369,805	146,870	2,043,195	27,582,230	
2006	1,167,158	669,675	3,101,684	1,336,192	1,780,349	18,194,723	326,808	475,711	2,440,045	29,492,345	
2007	1,268,483	906,995	3,427,456	1,382,337	2,282,361	19,561,871	374,171	739,616	2,022,901	31,966,191	
2008	1,568,371	930,864	3,543,957	1,456,118	2,772,020	20,243,682	380,070	267,413	2,542,673	33,705,168	
2009	1,384,164	991,963	3,557,126	1,368,486	2,973,560	21,228,578	380,600	720,109	2,518,022	35,122,608	
2010	1,538,230	884,246	3,581,419	1,504,094	2,752,940	20,064,495	577,436	382,205	1,754,323	33,039,388	

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

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

(3) Excludes Capital Projects funds.

Table 4

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

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (2)	Total
2001	\$ 5,710,235	\$ 1,554,489	\$ 46,206	\$ 7,229	\$ 320,906	\$ 713,244	\$ 219,976	\$ 234,550	\$ 14,630,281	\$ 23,437,116
2002	5,704,222	1,559,328	53,724	13,497	183,208	888,633	106,652	157,710	15,108,315	23,775,289
2003	5,748,379	1,858,039	55,742	38,471	108,170	683,363	339,138	175,021	15,830,082	24,836,405
2004	5,869,017	1,893,037	71,729	26,734	137,106	718,925	166,892	151,772	16,175,565	25,210,777
2005	6,130,568	2,034,091	72,227	49,260	203,383	762,336	253,940	101,006	17,507,953	27,114,764
2006	6,368,207	2,340,139	89,291	20,577	331,075	700,935	318,742	139,128	19,185,569	29,493,663
2007	8,034,012	2,184,586	146,111	27,627	469,715	850,405	252,284	86,399	21,118,177	33,169,316
2008	8,360,316	2,241,637	145,356	27,689	423,312	902,716	354,902	146,311	21,156,951	33,759,190
2009	8,739,210	2,146,757	159,932	19,785	133,462	664,326	433,390	110,548	23,200,143	35,607,553
2010	8,912,978	1,513,826	129,010	39,162	150,955	610,879	465,200	425,471	21,781,178	34,028,659

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

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

(3) Excludes Capital Projects funds.

Table 5

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

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1,2)	Percent of Delinquent Taxes to Tax Levy
2001	\$ 6,307,199	\$ 6,082,308	96.43%	\$ 95,552	\$ 6,177,860	97.95%	\$ 364,844	5.78%
2002	6,587,539	6,414,531	97.37%	103,702	6,518,233	98.95%	425,622	6.46%
2003	6,648,457	6,421,520	96.59%	149,328	6,570,848	98.83%	503,939	7.58%
2004	6,847,001	6,654,480	97.19%	53,039	6,707,519	97.96%	561,276	8.20%
2005	7,075,747	6,841,320	96.69%	133,161	6,974,481	98.57%	591,500	8.36%
2006	7,646,351	7,104,961	92.92%	201,541	7,306,502	95.56%	901,390	11.79%
2007	8,879,016	8,701,949	98.01%	223,258	8,925,207	100.52%	1,033,820	11.64%
2008	9,337,425	9,061,026	97.04%	213,449	9,274,475	99.33%	1,026,411	10.99%
2009	9,883,252	9,473,285	95.85%	166,644	9,639,929	97.54%	1,403,813	14.20%
2010	10,306,054	9,388,466	91.10%	420,791	9,809,257	95.18%	937,266	9.09%

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

(2) Includes three most current delinquent tax years and first half of current tax year.

Table 6

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

Fiscal Year	Real Estate (1)	Mobile Homes	Personal Property (1)	Machinery and Tools	Merchant's Capital	Public Utility (2)			Total
						Real Estate	Real Estate	Personal Property	
2001	\$ 495,314,498	\$ 10,076,970	\$ 47,165,288	\$ 4,579,820	\$ 6,233,960	\$ 47,857,895	\$ 222,425	\$ 611,450,856	
2002	557,240,097	10,854,922	52,630,120	5,216,380	6,583,162	49,653,959	179,154	682,357,794	
2003	617,395,027	10,197,033	53,190,247	5,336,991	7,059,627	56,874,036	335,991	750,388,952	
2004	632,023,124	10,513,918	56,455,559	6,001,429	7,392,798	53,105,336	306,743	765,798,907	
2005	644,164,177	10,044,582	56,273,912	6,204,367	7,845,555	43,841,289	260,634	768,634,516	
2006	666,911,618	10,069,168	61,162,572	6,326,572	7,956,118	47,957,589	358,642	800,742,279	
2007	686,406,667	9,902,270	64,423,605	6,270,659	8,138,852	48,261,121	242,610	823,645,784	
2008	982,560,682	9,774,752	65,524,137	6,593,214	8,205,633	48,091,865	273,006	1,121,023,289	
2009	1,253,862,991	9,171,318	70,408,129	7,879,731	9,520,696	78,282,888	572,286	1,429,698,039	
2010	1,251,566,318	9,236,759	66,335,031	7,372,601	9,939,614	75,647,770	502,244	1,420,600,337	

(1) Real estate and personal property are assessed at 100% of fair market value.

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

Table 7

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

Fiscal Year	Real Estate	Mobile Homes	Personal Property	Machinery and Tools	Merchant's Capital
2001	\$ 0.80	\$ 0.80	\$ 3.50	\$ 3.50	\$ 1.00
2002	0.66/0.80	0.80	3.50	3.50	1.00
2003	0.66	0.66	3.50	3.50	1.00
2004	0.66	0.66	3.50	3.50	1.00
2005	0.66/0.72	0.66	3.50	3.50	1.00
2006	0.72	0.72	3.50	3.50	1.00
2007	0.72/0.77	0.72	4.60	4.60	1.00
2008	0.77/0.44	0.77	4.60	4.60	1.00
2009	0.44/0.48	0.44	4.60	4.60	1.00
2010	0.48	0.48	4.60	4.60	1.00

(1) Per \$100 of assessed value.

Table 8

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

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2001	13,705	\$ 611,450,856	\$ 4,753,819	\$ 4,753,819	0.78%	\$ 347
2002	13,705	682,357,794	12,515,608	12,515,608	1.83%	913
2003	13,705	750,388,952	11,802,239	11,802,239	1.57%	861
2004	13,705	765,798,907	11,113,342	11,113,342	1.45%	811
2005	13,705	768,634,516	10,431,245	10,431,245	1.36%	761
2006	13,705	800,742,279	9,756,085	9,756,085	1.22%	712
2007	13,705	823,645,784	9,384,347	9,384,347	1.14%	685
2008	13,705	1,121,023,289	8,696,470	8,696,470	0.78%	635
2009	13,705	1,429,698,039	7,985,636	7,985,636	0.56%	583
2010	13,705	1,420,600,337	7,265,938	7,265,938	0.51%	530

- (1) Center of Government at the University of Virginia for 1990 census and Weldon Cooper Center for Public Service for 2000 census.
- (2) From Table 6
- (3) Includes all long-term general obligation bonded debt, bonded anticipation notes, and literary fund loans. Excludes revenue bonds, landfill closure/post-closure care liability, capital leases, and compensated absences.

COMPLIANCE SECTION

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ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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

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

We have audited the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Appomattox, Virginia, as of and for the year ended June 30, 2010, which collectively comprise the County of Appomattox, Virginia's basic financial statements and have issued our report thereon dated December 6, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the Board of Supervisors, others within the entity, 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.

Robson, Fann, Cox & Oates

Richmond, Virginia
December 6, 2010

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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

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

Compliance

We have audited County of Appomattox, Virginia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of County of Appomattox, Virginia's major federal programs for the year ended June 30, 2010. The County of Appomattox, 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 Appomattox, Virginia's management. Our responsibility is to express an opinion on the County of Appomattox, 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 Appomattox, Virginia's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County of Appomattox, Virginia's compliance with those requirements.

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

Internal Control Over Compliance

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

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

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

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

Richard, Fann, Cox Osente

Richmond, Virginia
December 6, 2010

County of Appomattox, Virginia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

Federal Grantor/State Pass - Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass Through Payments:			
Department of Social Services:			
Promoting Safe and Stable Families	93.556	0950109/0950110	\$ 12,862
Temporary Assistance for Needy Families (TANF)	93.558	0400109/0400110	166,186
Refugee and Entrant Assistance - State administered programs	93.566	0500109/0500110	373
Low-income Home Energy Assistance	93.568	0600409/0600410	8,374
Child Care and Development Cluster:			
Child Care and Development Block Grants	93.575	0770109/0770110	51,086
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760109/0760110	55,426
ARRA - Child Care and Development Block Grant	93.713	0740109/0780109	19,475
Child Welfare Services - State Grants	93.645	0900109/090110	560
Foster Care Cluster:			
Foster Care - Title IV-E	93.658	1100109/1100110	92,312
ARRA - Foster Care - Title IV-E	93.658	1100109/1100110	5,569
Adoption Assistance	93.659	1120109/1120110	4,793
Social Services Block Grant	93.667	1000109/1000110	45,912
Chafee Foster Care Independence Program	93.674	9150109/9150110	2,333
Children's Health Insurance Program	93.767	0540109/0540110	7,100
Medical Assistance Program	93.778	1200109/1200110	91,864
Total Department of Health and Human Services			<u>\$ 564,225</u>
Department of Agriculture:			
Pass Through Payments:			
Department of Agriculture:			
Child Nutrition Cluster:			
Food Distribution - School	10.555	17901-45707	\$ 68,446
Department of Education:			
National school breakfast program	10.553	17901-40591	94,346
National school lunch program	10.555	17901-40623	381,086
Department of Social Services:			
SNAP Cluster:			
ARRA - State Admin Matching Grants for Supplemental Nutrition Assistance Program	10.561	0040109/0040110	6,436
State Admin Matching Grants for Supplemental Nutrition Assistance Program	10.561	0010109/0010100	155,217
Total Department of Agriculture			<u>\$ 705,531</u>
Department of the Interior:			
Direct payments:			
Bureau of Land Management:			
Payments in lieu of taxes-public law 95-561	15.226		\$ 4,045
Total Department of the Interior			<u>\$ 4,045</u>
Department of Justice:			
Direct payments:			
Forfeited assets	16.xxx		\$ 42,288
Pass Through Payments:			
Compensation Board:			
ARRA - Edward Byrne memorial justice assistance grant (JAG) program/grants to states and territories - ARRA	16.803	30712	\$ 66,620
Total Department of Justice			<u>\$ 108,908</u>

County of Appomattox, Virginia
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2010

Federal Grantor/State Pass - Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Transportation:			
Pass Through Payments:			
Department of Motor Vehicles:			
Alcohol impaired driving countermeasures incentive grants	20.601	77501-52707	\$ 19,615
Total Department of Transportation			<u>\$ 19,615</u>
Department of Homeland Security:			
Pass Through Payments:			
Department of Emergency Services:			
State homeland security grant program	97.073	77501-52708	\$ 18,250
Total Department of Homeland Security			<u>\$ 18,250</u>
Department of Education:			
Pass Through Payments:			
Department of Education:			
Title I Cluster:			
Title I: Grants to local educational agencies	84.010	17901-42901	\$ 467,356
ARRA - Title I: Grants to local educational agencies	84.389	17901-42913	172,178
Special Education Cluster:			
Special Education grants to states	84.027	17901-43071	444,988
Special education preschool grants	84.173	17901-62521	34,573
ARRA - Special Education grants to states	84.391	17901-61245	189,512
ARRA - Special education preschool grants	84.392	17901-61247	5,611
Career and Technical Education: Basic grants to states	84.048	17901-61095	41,823
Safe and Drug-free schools and communities	84.186	17901-60511	6,616
Improving Teacher Quality State Grants	84.367	17901-61480	101,756
Education technology state grants	84.318	17901-61600	7,455
ARRA - State fiscal stabilization fund - education state grants	84.394	17901-61245	609,777
21st Century Community Learning Centers	84.287	17901-60565	92,412
Total Department of Education			<u>\$ 2,174,057</u>
Total Expenditures of Federal Awards			<u>\$ 3,594,631</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

County of Appomattox, Virginia

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the County of Appomattox, Virginia under programs of the federal government for the year ended June 30, 2010. The information in this Schedule is presented in accordance with the requirements of the OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the County of Appomattox, Virginia, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County of Appomattox, Virginia.

Note B - Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

Note C - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:	
Primary government:	
General Fund	\$ 834,408
Special Revenue Funds:	
County Special Revenue Fund	42,288
Total primary government	\$ <u>876,696</u>
Component Unit Public Schools:	
School Operating Fund	\$ 2,174,057
School Cafeteria Fund	543,878
Total component unit public schools	\$ <u>2,717,935</u>
Total federal expenditures per basic financial statements	\$ <u>3,594,631</u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ <u><u>3,594,631</u></u>

County of Appomattox, Virginia
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2010

Section I-Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: unqualified
 Internal control over financial reporting:
 a. Material weakness(es) identified? _____ yes ✓ no
 b. Significant deficiency(ies) identified? _____ yes ✓ none reported
 Noncompliance material to financial statements noted? _____ yes ✓ no

Federal Awards

Internal control over major programs:
 a. Material weakness(es) identified? _____ yes ✓ no
 b. Significant deficiency(ies) identified? _____ yes ✓ no

Type of auditor's report issued on compliance
 for major programs: unqualified

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027/84.173/84.391/84.392	Special Education Cluster
84.010/84.389	Title I Cluster
84.394	State Fiscal Stabilization Fund- Education State Grants, Recovery Act
93.575/93.596/93.713	Child Care and Development Cluster

Dollar threshold used to distinguish between type A
 and type B programs: \$300,000

Auditee qualified as low-risk auditee? ✓ yes _____ no

Section II-Financial Statement Findings

None

Section III-Federal Award Findings and Questioned Costs

None

County of Appomattox, Virginia
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2010

There were no findings or questioned costs.

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