

COUNTY OF APPOMATTOX, VIRGINIA



ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2011

COUNTY OF APPOMATTOX, VIRGINIA

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YEAR ENDED JUNE 30, 2011

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
Gregory A. Smith

R.W. Mitchell
Bobby K. Waddell

Board of Social Services

Nelson Mann, Chairperson

Sammy Carter

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

COUNTY OF APPOMATTOX, VIRGINIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-9
<u>Basic Financial Statements</u>	
Government-Wide Financial Statements:	
Exhibit 1 Statement of Net Assets	10
Exhibit 2 Statement of Activities	11
Fund Financial Statements:	
Exhibit 3 Balance Sheet–Governmental Funds	12
Exhibit 4 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	13
Exhibit 5 Statement of Revenues, Expenditures and Changes in Fund Balances–Governmental Funds	14
Exhibit 6 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Exhibit 7 Statement of Fiduciary Net Assets–Fiduciary Funds	16
Notes to Financial Statements	17-45

COUNTY OF APPOMATTOX, VIRGINIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

TABLE OF CONTENTS

	<u>Page</u>
<u>Required Supplementary Information:</u>	
Exhibit 8 Schedule of Revenues, Expenditures and Changes in Fund Balances–Budget and Actual–General Fund	46
Exhibit 9 Schedule of Funding Progress–Virginia Retirement System	47
Exhibit 10 Schedule of Funding Progress for Retiree Health Insurance Plan	48
<u>Other Supplementary Information:</u>	
Combining and Individual Fund Statements and Schedules:	
Exhibit 11 Schedule of Revenues, Expenditures and Changes in Fund Balances–Budget and Actual– County Capital Projects Fund	49
Exhibit 12 Schedule of Revenues, Expenditures and Changes in Fund Balances–Budget and Actual– Nonmajor Special Revenue Funds	50
Exhibit 13 Combining Statement of Fiduciary Net Assets	51
Exhibit 14 Statement of Changes in Fiduciary Net Assets-Agency Funds	52
Discretely Presented Component Unit School Board:	
Exhibit 15 Combining Balance Sheet	53
Exhibit 16 Combining Statement of Revenues, Expenditures and Changes in Fund Balances–Governmental Funds	54
Exhibit 17 Schedule of Revenues, Expenditures and Changes in Fund Balances–Budget and Actual–School Operating Fund	55
Exhibit 18 Schedule of Revenues, Expenditures, and Changes in Fund Balances–Budget and Actual–School Special Revenue Fund	56
Discretely Presented Component Unit Economic Development Authority:	
Exhibit 19 Statement of Net Assets	57
Exhibit 20 Statement of Revenues, Expenses, and Changes in Fund Net Assets	58
Exhibit 21 Statement of Cash Flows	59

COUNTY OF APPOMATTOX, VIRGINIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

TABLE OF CONTENTS

Other Supplementary Information (Continued):

	<u>Page</u>
<u>Supporting Schedules:</u>	
Schedule 1 Schedule of Revenues–Budget and Actual–Governmental Funds	60-65
Schedule 2 Schedule of Expenditures–Budget and Actual–Governmental Funds	66-69
<u>Other Statistical Information:</u>	
Table 1 Government-Wide Expenses by Function–Last Nine Fiscal Years	70
Table 2 Government-Wide Revenues–Last Nine Fiscal Years	71
Table 3 General Governmental Expenditures by Function–Last Ten Fiscal Years	72
Table 4 General Governmental Revenues by Source–Last Ten Fiscal Years	73
Table 5 Property Tax Levies and Collections–Last Ten Fiscal Years	74
Table 6 Assessed Value of Taxable Property–Last Ten Fiscal Years	75
Table 7 Property Tax Rates–Last Ten Fiscal Years	76
Table 8 Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	77
<u>Compliance:</u>	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	78-79
Independent Auditors’ 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	80-81
Schedule of Expenditures of Federal Awards	82-83
Notes to Schedule of Expenditures of Federal Awards	84
Schedule of Findings and Questioned Costs	85
Schedule of Prior Year Findings and Questioned Costs	86

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, 2011, 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, 2011, 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.

As described in Note 1 to the financial statements, the County of Appomattox, Virginia adopted the provisions of *GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions*, effective July 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2012, 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.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Appomattox, Virginia's financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules, and statistical information, are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The combining and individual nonmajor fund financial statements and schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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

Richmond, Virginia
January 6, 2012

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, 2011. 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 \$9,894,884 (net assets).

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported revenues and other financing sources in excess of expenditures and other financing uses of \$13,068,784 (Exhibit 5) after making contributions totaling \$3,859,578 to the School Board.

- < As of the close of the current fiscal year; the County's funds reported ending fund balances of \$25,302,059, an increase of \$13,068,784 in comparison with the prior year, due primarily to an issuance of general obligation bonds of \$12,888,977.
- < At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,771,683, or 33.76% of total general fund expenditures and other uses.
- < The combined long-term obligations increased by \$12,644,727 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 and one non-major governmental fund - the County Special Revenue 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 \$9,894,884 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>2011</u>	<u>2010</u>
Current and other assets	\$ 31,023,480	\$ 16,465,644
Capital assets	<u>20,419,809</u>	<u>20,482,985</u>
Total assets	<u>\$ 51,443,289</u>	<u>\$ 36,948,629</u>
Current liabilities	\$ 4,111,014	\$ 3,385,589
Long-term liabilities outstanding	<u>37,437,391</u>	<u>24,792,664</u>
Total liabilities	<u>\$ 41,548,405</u>	<u>\$ 28,178,253</u>
Net assets:		
Invested in capital assets, net of related debt	\$ 1,663,072	\$ 1,647,693
Unrestricted	<u>8,231,812</u>	<u>7,122,683</u>
Total net assets	<u>\$ 9,894,884</u>	<u>\$ 8,770,376</u>

Government-wide Financial Analysis (Continued)

The County's net assets increased by \$1,124,508 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>2011</u>	<u>2010</u>
Charges for services	\$ 411,946	\$ 368,957
Operating grants and contributions	3,951,153	4,379,627
General property taxes	9,681,328	8,848,772
Other local taxes	1,776,533	1,513,826
Grants and other contributions not restricted	1,584,930	1,593,775
Other general revenues	<u>612,739</u>	<u>600,247</u>
Total revenues	<u>\$ 18,018,629</u>	<u>\$ 17,305,204</u>
General government administration	\$ 1,546,970	\$ 1,646,500
Judicial administration	1,039,084	1,022,139
Public safety	3,271,440	3,754,255
Public works	2,260,607	2,164,106
Health and welfare	2,437,086	2,787,948
Education	4,483,112	4,182,959
Parks, recreation, and cultural	534,829	597,432
Community development	382,584	401,701
Interest and other fiscal charges	<u>938,409</u>	<u>1,212,065</u>
Total expenses	<u>\$ 16,894,121</u>	<u>\$ 17,769,105</u>
Change in net assets	\$ 1,124,508	\$ (463,901)
Net assets, beginning of year	<u>8,770,376</u>	<u>9,234,277</u>
Net assets, end of year	<u><u>\$ 9,894,884</u></u>	<u><u>\$ 8,770,376</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 \$25,302,059, an increase of \$13,068,784 in comparison with the prior year. Approximately 22.8% of this total amount constitutes unassigned General Fund balance, which is available for spending at the County's discretion.

The County Capital Projects Fund accounts for all major general public improvements. At the end of the fiscal year, the fund balance was \$18,878,573, all of which was either restricted or committed for current or future capital projects.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were increases of \$333,820 and can be briefly summarized as follows:

- < \$ 170,767 increase in public safety expenditures
- < \$ 81,429 increase in community development expenditures
- < \$ 38,213 increase in parks, recreation, and cultural expenditures
- < \$ 17,651 increase in health and welfare expenditures
- < \$ 51,431 increase in judicial administration expenditures
- < \$ 54,532 increase in various other expenditures
- < \$ 80,203 decrease in general government administration expenditures

During the year, budgetary estimates did not exceed revenues and other sources by \$2,794,976. Budgetary estimates exceeded expenditures and other uses by \$4,372,256 resulting in a positive variance of \$1,577,280.

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental operations as of June 30, 2011 amounts to \$20,419,809 (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 \$33,961,148. Of this amount, \$16,532,171 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 increased by \$12,090,210 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 6.8 percent compared to the state's average unemployment rate of 6.5 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 2012 fiscal year.

The fiscal year 2012 budget increased 3.0 percent, the real estate tax rate increased 1.5 cents to 49.5 cents per 100 dollars of assessed valuation, and all other 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.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

County of Appomattox, Virginia
Statement of Net Assets
June 30, 2011

	Primary Government		
	Governmental Activities	Component Units	
		School Board	EDA
ASSETS			
Cash and cash equivalents	\$ 7,518,717	\$ 2,996,323	\$ 60,385
Cash in custody of others	-	4,000	-
Receivables (net of allowance for uncollectibles):			
Taxes receivable	4,906,946	-	-
Accounts receivable	96,002	14,195	-
Due from other governmental units	5,026,839	1,485,605	-
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents (in custody of others)	12,872,630	-	-
Other assets:			
Unamortized bond issue costs	602,346	-	-
Capital assets (net of accumulated depreciation):			
Land	1,316,010	211,370	1,386,773
Buildings and improvements	15,563,520	8,717,059	-
Equipment	1,684,772	924,752	-
Infrastructure	53,106	-	1,465,768
Intangibles	730,874	-	-
Construction in progress	1,071,527	-	-
Total assets	<u>\$ 51,443,289</u>	<u>\$ 14,353,304</u>	<u>\$ 2,912,926</u>
LIABILITIES			
Accounts payable	\$ 693,434	\$ 19,930	\$ -
Accrued liabilities	-	1,612,699	-
Accrued interest payable	245,232	-	-
Due to other governmental units	-	1,537,454	-
Unearned revenue	3,172,348	-	-
Long-term liabilities:			
Due within one year	889,833	22,981	-
Due in more than one year	36,547,558	570,340	-
Total liabilities	<u>\$ 41,548,405</u>	<u>\$ 3,763,404</u>	<u>\$ -</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ 1,663,072	\$ 9,853,181	\$ 2,852,541
Unrestricted (deficit)	8,231,812	736,719	60,385
Total net assets	<u>\$ 9,894,884</u>	<u>\$ 10,589,900</u>	<u>\$ 2,912,926</u>
Total liabilities and net assets	<u>\$ 51,443,289</u>	<u>\$ 14,353,304</u>	<u>\$ 2,912,926</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, 2011

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 Government	Component Units	
					Governmental Activities	School Board	EDA
PRIMARY GOVERNMENT:							
Governmental activities:							
General government administration	\$ 1,546,970	\$ -	\$ 210,201	\$ -	\$ (1,336,769)	\$ -	\$ -
Judicial administration	1,039,084	166,910	456,087	-	(416,087)	-	-
Public safety	3,271,440	109,202	1,429,618	-	(1,732,620)	-	-
Public works	2,260,607	97,107	17,441	-	(2,146,059)	-	-
Health and welfare	2,437,086	-	1,790,798	-	(646,288)	-	-
Education	4,483,112	-	-	-	(4,483,112)	-	-
Parks, recreation, and cultural	534,829	38,727	39,064	-	(457,038)	-	-
Community development	382,584	-	7,944	-	(374,640)	-	-
Interest on long-term debt	938,409	-	-	-	(938,409)	-	-
Total governmental activities	<u>\$ 16,894,121</u>	<u>\$ 411,946</u>	<u>\$ 3,951,153</u>	<u>\$ -</u>	<u>\$ (12,531,022)</u>	<u>\$ -</u>	<u>\$ -</u>
Total primary government	<u>\$ 16,894,121</u>	<u>\$ 411,946</u>	<u>\$ 3,951,153</u>	<u>\$ -</u>	<u>\$ (12,531,022)</u>	<u>\$ -</u>	<u>\$ -</u>
COMPONENT UNITS:							
School Board	\$ 20,780,232	\$ 497,173	\$ 15,565,438	\$ -	\$ -	\$ (4,717,621)	\$ -
Economic Development Authority	57,453	53,755	-	-	-	-	(3,698)
Total component units	<u>\$ 20,837,685</u>	<u>\$ 550,928</u>	<u>\$ 15,565,438</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,717,621)</u>	<u>\$ (3,698)</u>
General revenues:							
General property taxes					\$ 9,681,328	\$ -	\$ -
Local sales and use taxes					1,000,072	-	-
Consumer utility taxes					370,241	-	-
Other local taxes					406,220	-	-
Unrestricted revenues from use of money and property					238,840	3,899	365
Miscellaneous					314,834	127,183	-
Grants and contributions not restricted to specific programs					1,584,930	-	-
Payment from Appomattox County School Board					59,065	-	-
Payment from Appomattox County					-	4,655,186	-
Total general revenues					<u>\$ 13,655,530</u>	<u>\$ 4,786,268</u>	<u>\$ 365</u>
Change in net assets					\$ 1,124,508	\$ 68,647	\$ (3,333)
Net assets - beginning - as restated					8,770,376	10,521,253	2,916,259
Net assets - ending					<u>\$ 9,894,884</u>	<u>\$ 10,589,900</u>	<u>\$ 2,912,926</u>

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

FUND FINANCIAL STATEMENTS

County of Appomattox, Virginia
Balance Sheet
Governmental Funds
June 30, 2011

	<u>General</u>	<u>County Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 3,578,621	\$ 3,352,188	\$ 587,908	\$ 7,518,717
Receivables (net of allowance for uncollectibles):				
Taxes receivable	4,906,946	-	-	4,906,946
Accounts receivable	92,263	-	3,739	96,002
Due from other governmental units	2,364,399	2,653,755	8,685	5,026,839
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	12,872,630	-	12,872,630
Total assets	<u>\$ 10,942,229</u>	<u>\$ 18,878,573</u>	<u>\$ 600,332</u>	<u>\$ 30,421,134</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 693,434	\$ -	\$ -	\$ 693,434
Deferred revenue	4,425,641	-	-	4,425,641
Total liabilities	<u>\$ 5,119,075</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,119,075</u>
Fund balances:				
Restricted	3,039	15,526,385	329,492	15,858,916
Committed	48,432	3,352,188	270,840	3,671,460
Unassigned	5,771,683	-	-	5,771,683
Total fund balances	<u>\$ 5,823,154</u>	<u>\$ 18,878,573</u>	<u>\$ 600,332</u>	<u>\$ 25,302,059</u>
Total liabilities and fund balances	<u>\$ 10,942,229</u>	<u>\$ 18,878,573</u>	<u>\$ 600,332</u>	<u>\$ 30,421,134</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, 2011

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	25,302,059
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, cost	\$ 33,369,113	
Less: Accumulated depreciation	<u>(12,949,304)</u>	20,419,809

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		1,253,293
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Issuance costs are recorded as other assets and amortized over the life of the debt, and therefore, are not reported in the funds.		602,346
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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	\$ (34,283,122)	
Compensated absences	(336,555)	
OPEB liability	(46,670)	
Landfill accrued closure/post-closure costs	(2,771,044)	
Interest payable	<u>(245,232)</u>	(37,682,623)

Net assets of governmental activities	\$	<u><u>9,894,884</u></u>
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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, 2011

	<u>General</u>	<u>County Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
REVENUES				
General property taxes	\$ 9,186,947	\$ -	\$ -	\$ 9,186,947
Other local taxes	1,776,533	-	-	1,776,533
Permits, privilege fees, and regulatory licenses	83,338	-	-	83,338
Fines and forfeitures	111,412	-	-	111,412
Revenue from the use of money and property	234,286	4,276	278	238,840
Charges for services	162,333	-	54,863	217,196
Miscellaneous	280,621	25,000	9,213	314,834
Recovered costs	103,961	-	-	103,961
Intergovernmental revenues:				
Appomattox School Board	59,065	-	-	59,065
Commonwealth	4,695,398	-	59,425	4,754,823
Federal	781,260	-	-	781,260
Total revenues	<u>\$ 17,475,154</u>	<u>\$ 29,276</u>	<u>\$ 123,779</u>	<u>\$ 17,628,209</u>
EXPENDITURES				
Current:				
General government administration	\$ 1,429,400	\$ -	\$ -	\$ 1,429,400
Judicial administration	945,288	-	-	945,288
Public safety	3,476,344	-	10,000	3,486,344
Public works	1,362,547	-	-	1,362,547
Health and welfare	2,459,627	-	-	2,459,627
Education	3,818,268	52,214	-	3,870,482
Parks, recreation, and cultural	519,294	-	-	519,294
Community development	339,135	-	-	339,135
Capital projects	1,011,976	-	-	1,011,976
Debt service:				
Principal retirement	798,767	-	-	798,767
Interest and other fiscal charges	935,766	289,776	-	1,225,542
Total expenditures	<u>\$ 17,096,412</u>	<u>\$ 341,990</u>	<u>\$ 10,000</u>	<u>\$ 17,448,402</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 378,742</u>	<u>\$ (312,714)</u>	<u>\$ 113,779</u>	<u>\$ 179,807</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 582,882	\$ -	\$ -	\$ 582,882
Transfers out	-	(452,513)	(130,369)	(582,882)
Issuance of general obligation bonds	-	12,888,977	-	12,888,977
Total other financing sources (uses)	<u>\$ 582,882</u>	<u>\$ 12,436,464</u>	<u>\$ (130,369)</u>	<u>\$ 12,888,977</u>
Net change in fund balances	\$ 961,624	\$ 12,123,750	\$ (16,590)	\$ 13,068,784
Fund balances - beginning - as restated	4,861,530	6,754,823	616,922	12,233,275
Fund balances - ending	<u>\$ 5,823,154</u>	<u>\$ 18,878,573</u>	<u>\$ 600,332</u>	<u>\$ 25,302,059</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, 2011**

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

Net change in fund balances - total governmental funds \$ 13,068,784

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	\$ 1,084,371	
Depreciation expense	<u>(1,147,547)</u>	(63,176)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 494,381

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	\$ 798,767	
Issuance of long-term debt	(12,888,977)	
Amortization of bond premium	17,887	
(Increase) decrease in bond issuance costs	272,411	
(Increase) decrease in landfill closure liability	<u>(559,578)</u>	(12,359,490)

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	\$ (4,906)	
(Increase) decrease in OPEB liability	(7,920)	
(Increase) decrease in accrued interest	<u>(3,165)</u>	(15,991)

Change in net assets of governmental activities \$ 1,124,508

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, 2011**

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 22,970
LIABILITIES	
Amounts held for social services clients	\$ 8,897
Amounts held for others	12,774
Amounts held for inmates	1,299
Total liabilities	<u>\$ 22,970</u>

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

NOTES TO THE FINANCIAL STATEMENTS

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2011

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, 2011 (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.

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, 2011.

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, 2011.

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, 2011. 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.

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, 2011 (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.

Capital Projects Funds - The Capital Projects Fund accounts for and reports financial resources that are restricted, committed or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments. The County also reports the County Capital Projects Fund as a major Capital Projects Fund.

The County reports the following nonmajor governmental funds:

Special Revenue Funds - Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The County Special Revenue Fund reports the following activities: Asset Forfeiture, E-911, Courthouse Security, Courthouse Maintenance, Jail Keep, Law Library and CSA.

2. 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, 2011 (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 \$143,274 at June 30, 2011 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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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.

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

L. Fund Equity

Beginning with fiscal year 2011, the County implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

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

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

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

L. Fund Equity (Continued)

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

	<u>General Fund</u>	<u>Non-Major Special Revenue Fund County Special Revenue Fund</u>	<u>Major Capital Projects Fund County Capital Projects</u>	<u>Total</u>
Fund Balances:				
Restricted for:				
Veterans wall of honor	\$ 3,039	\$ -	\$ -	\$ 3,039
Comprehensive services	-	21,108	-	21,108
Asset forfeiture	-	211,240	-	211,240
Courthouse maintenance	-	12,318	-	12,318
Courthouse security fund	-	62,316	-	62,316
Law library	-	22,510	-	22,510
Appomattox/Concord waterline	-	-	2,653,755	2,653,755
Primary school renovation	-	-	12,872,630	12,872,630
Total Restricted Fund Balance	\$ 3,039	\$ 329,492	\$ 15,526,385	\$ 15,858,916
Committed to:				
Sports complex	\$ 43,793	\$ -	\$ -	\$ 43,793
Rev max	4,605	-	-	4,605
Ballpark fund	34	-	-	34
Capital Improvements	-	-	3,352,188	3,352,188
Jail keep fund	-	47,948	-	47,948
E-911	-	222,892	-	222,892
Total Committed Fund Balance	\$ 48,432	\$ 270,840	\$ 3,352,188	\$ 3,671,460
Unassigned Fund Balance	\$ 5,771,683	\$ -	\$ -	\$ 5,771,683
Total Fund Balances	\$ 5,823,154	\$ 600,332	\$ 18,878,573	\$ 25,302,059

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

M. Net Assets

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

N. Long-term Obligations

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

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

Note 2—Stewardship, Compliance, and Accounting:

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

1. On or before March 30th, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Appropriations lapse on June 30, for all County units.

Expenditures and Appropriations

Expenditures exceeded appropriations in the following funds at June 30, 2011:

County Capital Projects	\$	247,990
County Special Revenue		10,000
School Special Revenue Fund		121,194

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

NOTE 3—Deposits and Investments:

Deposits

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

Investments

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

Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2011 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.

	<u>Fair Quality Ratings</u>	
	<u>AAAm</u>	<u>Unrated</u>
Local Government Investment Pool	\$ 100,000	\$ -
State Non-Arbitrage Pool	9,878,862	-
Money Market Mutual Fund	-	2,882,237
Commercial Paper	-	2,993,767
Total	<u>\$ 9,978,862</u>	<u>\$ 5,876,004</u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

NOTE 3—Deposits and Investments: (Continued)

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.

<u>Investment Maturities (in years)</u>		
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>
Money Market Mutual Fund	\$ 2,882,237	\$ 2,882,237
Commercial Paper	<u>2,993,767</u>	<u>2,993,767</u>
Total	\$ <u>5,876,004</u>	\$ <u>5,876,004</u>

External Investment Pools

The State Non-Arbitrage Pool (SNAP) is open-ended management investment company registered with the Securities and Exchange Commission (SEC). The fair value of the positions in the external investment pools (Local Government Investment Pool and State Non-Arbitrage Pool) 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.

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 4—Due to/from Other Governments:

At June 30, 2011, 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	\$ 1,537,454	\$ -
Commonwealth of Virginia:		
Local sales tax	203,122	-
Welfare	37,488	-
Rolling stock tax	501	-
Va Resources Authority	2,653,755	-
Comprehensive services	174,509	-
State Sales Tax	-	323,208
Wireless grant	8,505	-
Asset forfeiture	180	-
Constitutional officer reimbursements	152,525	-
Recordation tax	8,227	-
Mobile home titling tax	263	-
Local jails	12,988	-
Department of Forestry	17,441	-
Victim witness	20,000	-
Fire programs	33,933	-
Communications tax	89,378	-
Support enforcement	427	-
Emergency medical services	15,571	-
Federal Government:		
School fund grants	-	1,162,397
Sheriff's grant	1,097	-
Welfare	59,475	-
	<u>5,026,839</u>	<u>1,485,605</u>
Total due from other governments	\$ <u>5,026,839</u>	\$ <u>1,485,605</u>

At June 30, 2011, amounts due to other local governments are as follows:

Other Local Governments:		
County of Appomattox	\$ <u> -</u>	\$ <u>1,537,454</u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 5—Capital Assets:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2011:

Primary Government:

	<u>Balance July 1, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2011</u>
Governmental activities:				
Capital assets not subject to depreciation:				
Land	\$ 1,245,042	\$ 70,968	\$ -	\$ 1,316,010
Construction in progress	<u>176,072</u>	<u>895,455</u>	<u>-</u>	<u>1,071,527</u>
Total capital assets not subject to depreciation	<u>\$ 1,421,114</u>	<u>\$ 966,423</u>	<u>\$ -</u>	<u>\$ 2,387,537</u>
Capital assets subject to depreciation:				
Buildings	\$ 12,681,081	\$ -	\$ -	\$ 12,681,081
Equipment	4,864,798	643,967	171,671	5,337,094
Infrastructure	58,059	14,050	-	72,109
Intangible	1,810,216	-	-	1,810,216
Jointly owned assets	<u>11,621,145</u>	<u>182,978</u>	<u>723,047</u>	<u>11,081,076</u>
Total capital assets being depreciated	<u>\$ 31,035,299</u>	<u>\$ 840,995</u>	<u>\$ 894,718</u>	<u>\$ 30,981,576</u>
Less accumulated depreciation for:				
Buildings	\$ 3,304,213	\$ 466,654	\$ -	\$ 3,770,867
Equipment	3,321,079	502,914	171,671	3,652,322
Infrastructure	9,187	9,816	-	19,003
Intangible	983,740	95,602	-	1,079,342
Jointly owned assets	<u>4,355,209</u>	<u>321,791</u>	<u>249,230</u>	<u>4,427,770</u>
Total accumulated depreciation	<u>\$ 11,973,428</u>	<u>\$ 1,396,777</u>	<u>\$ 420,901</u>	<u>\$ 12,949,304</u>
Total capital assets being depreciated, net	<u>\$ 19,061,871</u>	<u>\$ (555,782)</u>	<u>\$ 473,817</u>	<u>\$ 18,032,272</u>
Governmental capital assets, net	<u>\$ 20,482,985</u>	<u>\$ 410,641</u>	<u>\$ 473,817</u>	<u>\$ 20,419,809</u>

Component Unit - School Board:

	<u>Balance July 1, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2011</u>
Governmental activities:				
Capital assets not subject to depreciation:				
Land	\$ 211,370	\$ -	\$ -	\$ 211,370
Total capital assets not subject to depreciation	<u>\$ 211,370</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 211,370</u>
Capital assets subject to depreciation:				
Equipment	\$ 3,426,756	\$ 254,419	\$ -	\$ 3,681,175
Jointly owned assets	<u>13,795,203</u>	<u>-</u>	<u>(723,047)</u>	<u>14,518,250</u>
Total capital assets being depreciated	<u>\$ 17,221,959</u>	<u>\$ 254,419</u>	<u>\$ (723,047)</u>	<u>\$ 18,199,425</u>
Less accumulated depreciation for:				
Equipment	\$ 2,482,465	\$ 273,958	\$ -	\$ 2,756,423
Jointly owned assets	<u>5,169,970</u>	<u>381,991</u>	<u>(249,230)</u>	<u>5,801,191</u>
Total accumulated depreciation	<u>\$ 7,652,435</u>	<u>\$ 655,949</u>	<u>\$ (249,230)</u>	<u>\$ 8,557,614</u>
Total capital assets being depreciated, net	<u>\$ 9,569,524</u>	<u>\$ (401,530)</u>	<u>\$ (473,817)</u>	<u>\$ 9,641,811</u>
Governmental capital assets, net	<u>\$ 9,780,894</u>	<u>\$ (401,530)</u>	<u>\$ (473,817)</u>	<u>\$ 9,853,181</u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (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, 2011:

	<u>Balance July 1, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2011</u>
Business-Type activities:				
Capital assets not subject to depreciation:				
Land	\$ 1,386,773	\$ -	\$ -	\$ 1,386,773
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	\$ 1,917,079	\$ -	\$ -	\$ 1,917,079
Total capital assets being depreciated	<u>\$ 1,917,079</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,917,079</u>
Less accumulated depreciation for:				
Infrastructure	\$ 399,194	\$ 52,117	\$ -	\$ 451,311
Total accumulated depreciation	<u>\$ 399,194</u>	<u>\$ 52,117</u>	<u>\$ -</u>	<u>\$ 451,311</u>
Total capital assets being depreciated, net	<u>\$ 1,517,885</u>	<u>\$ (52,117)</u>	<u>\$ -</u>	<u>\$ 1,465,768</u>
Business-Type capital assets, net	<u><u>\$ 2,904,658</u></u>	<u><u>\$ (52,117)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,852,541</u></u>

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

Governmental activities:

General government administration	\$ 156,382
Judicial administration	149,947
Public safety	402,013
Public works	253,200
Health and welfare	12,002
Education	321,791
Parks, recreation and cultural	58,069
Community development	<u>43,373</u>
Total Governmental activities	<u><u>\$ 1,396,777</u></u>

Component Unit School Board	<u><u>\$ 655,949</u></u>
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Component Unit Economic Development Authority	<u><u>\$ 52,117</u></u>
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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 6—Interfund Transfers:

Interfund transfers for the year ended June 30, 2011, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ 582,882	\$ -
County Special Revenue Fund	-	130,369
County Capital Projects Fund	-	452,513
	<u>582,882</u>	<u>582,882</u>
Total	<u>\$ 582,882</u>	<u>\$ 582,882</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, 2011:

	<u>Amounts Payable at July 1, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Amounts Payable at June 30, 2011</u>	<u>Amounts Due Within One Year</u>
Governmental Obligations:					
Incurred by County:					
Compensated absences payable	\$ 331,649	\$ 38,071	\$ 33,165	\$ 336,555	\$ 33,656
Lease revenue bonds	14,605,000	2,888,977	65,000	17,428,977	175,000
Issuance premium	339,861	-	17,887	321,974	17,887
OPEB liability	38,750	29,260	21,340	46,670	-
Landfill postclosure care	2,211,466	559,578	-	2,771,044	-
Total incurred by County	<u>\$ 17,526,726</u>	<u>\$ 3,515,886</u>	<u>\$ 137,392</u>	<u>\$ 20,905,220</u>	<u>\$ 226,543</u>
Incurred by School Board:					
General obligation bonds	\$ 7,265,938	\$ 10,000,000	\$ 733,767	\$ 16,532,171	\$ 663,290
Total incurred by School Board	<u>\$ 7,265,938</u>	<u>\$ 10,000,000</u>	<u>\$ 733,767</u>	<u>\$ 16,532,171</u>	<u>\$ 663,290</u>
Total General Obligations, Primary Government	<u>\$ 24,792,664</u>	<u>\$ 13,515,886</u>	<u>\$ 871,159</u>	<u>\$ 37,437,391</u>	<u>\$ 889,833</u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (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
2012	\$ 175,000	\$ 585,062
2013	761,883	620,275
2014	856,062	642,590
2015	949,193	617,259
2016	997,409	588,093
2017	1,040,712	558,541
2018	1,344,103	523,124
2019	1,402,587	474,366
2020	1,466,164	419,989
2021	1,544,837	349,815
2022	1,633,610	275,792
2023	2,237,485	197,418
2024	301,464	107,226
2025	310,550	96,390
2026	324,747	85,218
2027	334,057	73,483
2028	588,483	61,407
2029	613,029	37,961
2030	177,697	13,493
2031	182,491	8,699
2032	187,414	3,775
Total	\$ <u>17,428,977</u>	\$ <u>6,339,976</u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (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
2012	\$ 663,290	\$ 724,004
2013	683,319	724,063
2014	1,028,434	688,028
2015	995,839	652,825
2016	1,013,903	618,283
2017	1,499,327	582,793
2018	1,264,676	552,957
2019	1,276,431	528,959
2020	1,293,541	504,224
2021	1,302,253	483,854
2022	1,344,493	463,035
2023	833,333	450,000
2024	833,333	450,000
2025	833,333	450,000
2026	833,333	450,000
2027	833,333	450,000
Total	\$ <u>16,532,171</u>	\$ <u>8,773,025</u>

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 7—Long-Term Obligations: (Continued)

Primary Government: (continued)

Long-term obligations at June 30, 2011 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.	\$ 14,540,000
\$2,888,977 VRA lease revenue bond issued June 16, 2011, payable in varying annual installments, interest at 2.18%, through May 1, 2032.	<u>2,888,977</u>
Total lease revenue bonds	<u>\$ 17,428,977</u>
Issuance premium	<u>\$ 321,974</u>
OPEB liability (payable by the general fund)	<u>\$ 46,670</u>
Landfill postclosure care liability (payable by the general fund)	<u>\$ 2,771,044</u>
Compensated absences (payable by the general fund)	<u>\$ 336,555</u>
Total Incurred by County	<u>\$ 20,905,220</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	\$ 155,000
\$3,789,949 school bond issued November 1, 1996, payable in varying amounts and interest rates through July 15, 2017	1,369,077
\$1,850,000 school bond issued October 26, 2001, payable in varying amounts and interest rates through July 15, 2021	1,225,000
\$6,512,513 school bond issued October 26, 2001, payable in varying amounts and rates through July 15, 2021	3,783,094
\$10,000,000 school bond issued June 26, 2011, payable in varying amounts through June 1, 2027	<u>10,000,000</u>
Total General Obligation Bonds	<u>\$ 16,532,171</u>
Total Incurred by School Board	<u>\$ 16,532,171</u>
Total General Obligations, Primary Government	<u>\$ 37,437,391</u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (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, 2011:

	Amounts Payable at July 1, 2010			Amounts Payable at June 30, 2011		Amounts Due Within One Year
		Increases	Decreases			
Component Unit-School Board:						
Early retirement liability	\$ 515,270	\$ -	\$ 21,279	\$ 493,991	\$ 22,981	
OPEB liability	71,250	103,740	75,660	99,330	-	
Total Component Unit-School Board	<u>\$ 586,520</u>	<u>\$ 103,740</u>	<u>\$ 96,939</u>	<u>\$ 593,321</u>	<u>\$ 22,981</u>	

Year Ending June 30	Early Retirement Liability Payable	
	Principal	Interest
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	<u>\$ 493,991</u>	<u>\$ 318,522</u>

\$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.

\$493,991

OPEB liability (payable from the School Fund)

99,330

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

\$593,321

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (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 \$4,425,641 is comprised of the following:

Deferred Property Tax Revenue - Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$4,284,232 at June 30, 2011.

Prepaid Property Taxes - Property taxes due subsequent to June 30, 2011 but paid in advance by the taxpayers totaled \$141,409 at June 30, 2011.

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.

At June 30, 2011, the County had the following construction contracts outstanding:

	<u>Project</u>	<u>Contractor</u>	<u>Balance at June 30, 2011</u>
Primary Government	460 Waterline	Key Constructors, Inc	\$ 590,861
	460 Waterline	Crews Construction Co, Inc	799,676

Note 10—Litigation:

At June 30, 2011, there were no matters of litigation involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to the County.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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.

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

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

- Members hired before July 1, 2010 and who have service credits before July 1, 2010 are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of service credit or age 50 with at least 30 years of service credit. They may retire with a reduced benefit early at age 55 with at least five years of service credit or age 50 with at least ten years of service credit.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 12 –Defined Benefit Pension Plan: (Continued)

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

A. Plan Description (Continued)

- Members hired or rehired on or after July 1, 2010 and who have no service credits before July 1, 2010 are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with a least five years of service credit.
- Eligible hazardous duty members in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. These members include sheriffs, deputy sheriffs and hazardous duty employees of political subdivisions that have elected to provide enhanced coverage for hazardous duty service. They may retire with a reduced benefit as early as age 50 with at least five years of service credit. All other provisions of the members plan apply.

The VRS Basic Benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the member's average final compensation multiplied by the member's total service credit. Under Plan 1, average final compensation is the average of the member's 36 consecutive months of highest compensation. Under Plan 2, average final compensation is the average of the member's 60 consecutive months of highest compensation. The retirement multiplier for non-hazardous duty members is 1.70%. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier for eligible political subdivision hazardous duty employees other than sheriffs and jail superintendents is 1.70% or 1.85% as elected by the employer. At retirement, members can elect the Basic Benefit, the Survivor Option, a Partial Lump-Sum Option Payment (PLOP) or the Advance Pension Option. A retirement reduction factor is applied to the Basic Benefit amount for members electing the Survivor Option, PLOP or Advance Pension Option or those retiring with a reduced benefit.

Retirees are eligible for an annual cost-of-living adjustment (COLA) effective July 1, of the second calendar year of retirement. Under Plan 1, the COLA cannot exceed 5.00%; under Plan2, the COLA cannot exceed 6.00%. During years of no inflation or deflation, the COLA is 0.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950) as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of the report may be obtained from the VRS Website at: <http://varetire.org/Pdf/Publications/2010-annual-report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (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 compensation toward their retirement. All or part of the 5.00% member contribution may be assumed by the employer. In addition, the County is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County and School Board non-professional's contribution rate for the fiscal year ended 2011 were 11.06% and 3.11% of annual covered payroll, respectively.

The School Board's professional employees contributed \$387,595, \$641,116, and \$939,345, to the teacher cost-sharing pool for the fiscal years ended June 30, 2011, 2010, and 2009 respectively, and these contributions represented 3.93%, 8.81% for July 2009 through March 2010 and zero (0.00%) for April through June 2010, and 8.81%, respectively, of current covered payroll.

C. Annual Pension Cost

For fiscal year 2011, the County's annual pension cost of \$657,561 (which includes the portion of the employee share assumed by the employer which was \$204,720) was equal to the County's required and actual contributions.

For fiscal year 2011, the County School Board's annual pension cost for the Board's non-professional employees was \$55,574, (which includes the employee portion assumed by the County of \$34,263) which was equal to the Board's required and actual contributions.

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC) (1)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
County:			
June 30, 2011	\$ 452,841	100%	\$ -
June 30, 2010	441,513	100%	-
June 30, 2009	431,636	100%	-
School Board:			
Non-Professional:			
June 30, 2011	\$ 21,311	100%	\$ -
June 30, 2010	42,043	100%	-
June 30, 2009	42,307	100%	-

(1) Employer portion only

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 12 – Defined Benefit Pension Plan: (Continued)

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

C. Annual Pension Cost (Continued)

The fiscal year 2011 required contribution was determined as part of the June 30, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2009 included (a) an investment rate of return (net of administrative expenses) of 7.50%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the County's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The County's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2009 for the Unfunded Actuarial Accrued Liability (UAAL) was 20 years.

The fiscal year 2011 required contribution was determined as part of the June 30, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2009 included (a) an investment rate of return (net of administrative expenses) of 7.50%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the County's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The County's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2009 for the Unfunded Actuarial Accrued Liability (UAAL) was 20 years.

D. Funded Status and Funding Progress

As of June 30, 2010, the most recent actuarial valuation date, the plan was 74.97% funded. The actuarial accrued liability for benefits was \$19,789,685, and the actuarial value of assets was \$14,835,744, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,953,941. The covered payroll (annual payroll of active employees covered by the plan) was \$4,102,025, and ratio of the UAAL to the covered payroll was 120.77%.

As of June 30, 2010, the most recent actuarial valuation date, the School Board's non-professional plan was 101.30% funded. The actuarial accrued liability for benefits was \$2,256,293, and the actuarial value of assets was \$2,285,549, resulting in an unfunded actuarial accrued liability (UAAL) of (\$29,256). The covered payroll (annual payroll of active employees covered by the plan) was \$654,259, and ratio of the UAAL to the covered payroll was negative 4.47%.

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, 2011 (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 addition, the County participates in a Regional Landfill and is liable for its portion of closure and postclosure monitoring costs. In conjunction with both, an environmental engineering firm was engaged to devise a closure plan in accordance with federal and State Regulations. The \$2,771,044 reported as landfill postclosure liability at June 30, 2011, represents the estimated liability for postclosure monitoring over the remaining twenty-nine years for the County Landfill and the closure and postclosure costs of the Regional Landfill. These amounts are based on what it would cost to perform all postclosure care in 2011. 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 Risk 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, 2011 (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	\$ 29,260	\$ 103,740
Interest on net OPEB obligation	1,100	3,900
Adjustment to annual required contribution	(1,100)	(3,900)
Annual OPEB cost (expense)	<u>\$ 29,260</u>	<u>\$ 103,740</u>
Estimated Contributions made	(21,340)	(75,660)
Increase in net OPEB obligation	7,920	28,080
Net OPEB obligation-beginning of year	38,750	71,250
Net OPEB obligation-end of year	<u>\$ 46,670</u>	<u>\$ 99,330</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 2011, 2010 and 2009 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
6/30/2011	29,260	72.93%	46,670
Schools:			
6/30/2009	\$ 87,000	51.72%	\$ 42,000
6/30/2010	84,500	65.38%	71,250
6/30/2011	103,740	72.93%	99,330

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

Funded Status and Funding Progress

As of July 1, 2010, the County's most recent actuarial accrued liability for benefits was \$287,320, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$2,599,960, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 11.05 percent.

As of July 1, 2010, the School Board's most recent actuarial accrued liability for benefits was \$1,018,680, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$9,218,040, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 11.05 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, 2011 (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, 2010 was thirty years.

Note 16–Adjustment to Beginning Net Assets:

The following adjustment was made to beginning fund balances:

	General Fund	County Special Revenue Fund	County Capital Projects Fund
	<u> </u>	<u> </u>	<u> </u>
Fund balance as previously reported	\$ 4,871,325	\$ 573,951	\$ 6,729,823
Reclassify Courthouse security fund to special revenue fund	(53,986)	53,986	-
Reclassify Courthouse maintenance fund to special revenue fund	(13,985)	13,985	-
Reclassify PPEA to capital projects fund	-	(25,000)	25,000
A/R due from Cafeteria fund at June 30, 2010	58,176	-	-
	<u> </u>	<u> </u>	<u> </u>
Totals as adjusted	<u>\$ 4,861,530</u>	<u>\$ 616,922</u>	<u>\$ 6,754,823</u>

The following adjustment was made to beginning net assets:

	Governmental Activities
	<u> </u>
Net assets as previously reported	\$ 8,712,200
A/R due from Cafeteria fund at June 30, 2010	58,176
	<u> </u>
Totals as adjusted	<u>\$ 8,770,376</u>

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.

County of Appomattox, Virginia
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 10,578,174	\$ 10,578,174	\$ 9,186,947	\$ (1,391,227)
Other local taxes	1,190,500	1,190,500	1,776,533	586,033
Permits, privilege fees, and regulatory licenses	117,509	117,509	83,338	(34,171)
Fines and forfeitures	25,000	25,000	111,412	86,412
Revenue from the use of money and property	101,045	101,045	234,286	133,241
Charges for services	139,501	139,501	162,333	22,832
Miscellaneous	120,782	120,782	280,621	159,839
Recovered costs	88,528	88,528	103,961	15,433
Intergovernmental revenues:				
Appomattox School Board	-	-	59,065	59,065
Commonwealth	4,162,315	4,162,315	4,695,398	533,083
Federal	807,827	807,827	781,260	(26,567)
Total revenues	\$ 17,331,181	\$ 17,331,181	\$ 17,475,154	\$ 143,973
EXPENDITURES				
Current:				
General government administration	\$ 1,668,071	\$ 1,587,868	\$ 1,429,400	\$ 158,468
Judicial administration	1,007,749	1,059,180	945,288	113,892
Public safety	3,570,923	3,741,690	3,476,344	265,346
Public works	1,523,625	1,578,157	1,362,547	215,610
Health and welfare	2,994,667	3,012,318	2,459,627	552,691
Education	4,105,940	4,105,940	3,818,268	287,672
Parks, recreation, and cultural	492,223	530,436	519,294	11,142
Community development	476,213	557,642	339,135	218,507
Capital projects	3,516,529	3,516,529	1,011,976	2,504,553
Debt service:				
Principal retirement	819,202	819,202	798,767	20,435
Interest and other fiscal charges	959,706	959,706	935,766	23,940
Total expenditures	\$ 21,134,848	\$ 21,468,668	\$ 17,096,412	\$ 4,372,256
Excess (deficiency) of revenues over (under) expenditures	\$ (3,803,667)	\$ (4,137,487)	\$ 378,742	\$ 4,516,229
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 3,521,831	\$ 3,521,831	\$ 582,882	\$ (2,938,949)
Total other financing sources and uses	\$ 3,521,831	\$ 3,521,831	\$ 582,882	\$ (2,938,949)
Net change in fund balances	\$ (281,836)	\$ (615,656)	\$ 961,624	\$ 1,577,280
Fund balances - beginning	281,836	615,656	4,861,530	4,245,874
Fund balances - ending	\$ -	\$ -	\$ 5,823,154	\$ 5,823,154

County of Appomattox, Virginia

Schedule of Funding Progress-Virginia Retirement System

For the Year Ended June 30, 2011

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:							
6/30/2010	\$ 14,835,744	\$ 19,789,685	4,953,941		74.97%	\$ 4,102,025	120.77%
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:							
6/30/2010	\$ 2,285,549	\$ 2,256,293	(29,256)		101.30%	\$ 654,259	-4.47%
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, 2011

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded		Funded Ratio (2)/(3)	Annual Covered Payroll	UAAL as % of Payroll (4)/(6)
			(Excess Funded) Actuarial Accrued Liability (UAAL) (3-2)	(4)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Primary Government:							
7/1/2010	\$ -	\$ 287,320	\$ 287,320	0.00%	\$ 2,599,960	11.05%	
7/1/2008	-	311,100	311,100	0.00%	3,688,800	8.43%	
Discretely Presented Component Unit:							
7/1/2010	\$ -	\$ 1,018,680	\$ 1,018,680	0.00%	\$ 9,218,040	11.05%	
7/1/2008	-	725,900	725,900	0.00%	8,607,200	8.43%	

OTHER SUPPLEMENTARY INFORMATION

*COMBINING AND INDIVIDUAL FUNDS STATEMENTS
AND SCHEDULES*

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 4,276	\$ 4,276
Miscellaneous	-	-	25,000	25,000
Total revenues	\$ -	\$ -	\$ 29,276	\$ 29,276
EXPENDITURES				
Current:				
Education	\$ 94,000	\$ 94,000	\$ 52,214	\$ 41,786
Debt service:				
Interest and other fiscal charges	-	-	289,776	(289,776)
Total expenditures	\$ 94,000	\$ 94,000	\$ 341,990	\$ (247,990)
Excess (deficiency) of revenues over (under) expenditures	\$ (94,000)	\$ (94,000)	\$ (312,714)	\$ (218,714)
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (3,483,097)	\$ (3,483,097)	\$ (452,513)	\$ 3,030,584
Issuance of general obligation bonds	-	-	12,888,977	12,888,977
Total other financing sources and uses	\$ (3,483,097)	\$ (3,483,097)	\$ 12,436,464	\$ 15,919,561
Net change in fund balances	\$ (3,577,097)	\$ (3,577,097)	\$ 12,123,750	\$ 15,700,847
Fund balances - beginning	3,577,097	3,577,097	6,754,823	3,177,726
Fund balances - ending	\$ -	\$ -	\$ 18,878,573	\$ 18,878,573

County of Appomattox, Virginia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Non Major Special Revenue Fund
For the Year Ended June 30, 2011

	County Special Revenue Fund				Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual		
	Original	Final			
REVENUES					
Revenue from the use of money and property	\$ -	\$ -	\$ 278		\$ 278
Charges for services	-	-	54,863		54,863
Miscellaneous	-	-	9,213		9,213
Intergovernmental revenues:					
Commonwealth	9,201	9,201	59,425		50,224
Total revenues	<u>\$ 9,201</u>	<u>\$ 9,201</u>	<u>\$ 123,779</u>		<u>\$ 114,578</u>
EXPENDITURES					
Current:					
Public safety	\$ -	\$ -	\$ 10,000		\$ (10,000)
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,000</u>		<u>\$ (10,000)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 9,201</u>	<u>\$ 9,201</u>	<u>\$ 113,779</u>		<u>\$ 104,578</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	\$ (38,734)	\$ (38,734)	\$ (130,369)		\$ (91,635)
Total other financing sources and uses	<u>\$ (38,734)</u>	<u>\$ (38,734)</u>	<u>\$ (130,369)</u>		<u>\$ (91,635)</u>
Net change in fund balances	\$ (29,533)	\$ (29,533)	\$ (16,590)		\$ 12,943
Fund balances - beginning	29,533	29,533	616,922		587,389
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 600,332</u>		<u>\$ 600,332</u>

County of Appomattox, Virginia
 Combining Statement of Fiduciary Net Assets
 Fiduciary Funds
 June 30, 2011

	Agency Funds			
	<u>Special Welfare</u>	<u>Jail Inmate</u>	<u>Sheriff Drug</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 8,897	\$ 1,299	\$ 12,774	\$ 22,970
Total assets	\$ 8,897	\$ 1,299	\$ 12,774	\$ 22,970
LIABILITIES				
Amounts held for social services clients	\$ 8,897	\$ -	\$ -	\$ 8,897
Amounts held for others	-	-	12,774	12,774
Amounts held for inmates	-	1,299	-	1,299
Total liabilities	\$ 8,897	\$ 1,299	\$ 12,774	\$ 22,970

County of Appomattox, Virginia

Fiduciary Funds
Statement of Changes in Fiduciary Net Assets - Agency Funds
For the Year Ended June 30, 2011

	<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	\$ <u>5,904</u>	\$ <u>19,241</u>	\$ <u>16,248</u>	\$ <u>8,897</u>
Liabilities:				
Amounts held for social services clients	\$ <u>5,904</u>	\$ <u>19,241</u>	\$ <u>16,248</u>	\$ <u>8,897</u>
Jail Inmate Fund:				
Assets:				
Cash and cash equivalents	\$ <u>411</u>	\$ <u>27,983</u>	\$ <u>27,095</u>	\$ <u>1,299</u>
Liabilities:				
Amounts held for inmates	\$ <u>411</u>	\$ <u>27,983</u>	\$ <u>27,095</u>	\$ <u>1,299</u>
Sheriff Drug Fund:				
Assets:				
Cash and cash equivalents	\$ <u>4,849</u>	\$ <u>11,865</u>	\$ <u>3,940</u>	\$ <u>12,774</u>
Liabilities:				
Amounts held for others	\$ <u>4,849</u>	\$ <u>11,865</u>	\$ <u>3,940</u>	\$ <u>12,774</u>
Totals -- All Agency Funds				
Assets:				
Cash and cash equivalents	\$ <u>11,164</u>	\$ <u>59,089</u>	\$ <u>47,283</u>	\$ <u>22,970</u>
Liabilities:				
Amounts held for others	\$ 4,849	\$ 11,865	\$ 3,940	\$ 12,774
Amounts held for inmates	411	27,983	27,095	1,299
Amounts held for social services clients	5,904	19,241	16,248	8,897
Total liabilities	\$ <u>11,164</u>	\$ <u>59,089</u>	\$ <u>47,283</u>	\$ <u>22,970</u>

*DISCRETELY PRESENTED COMPONENT UNIT
SCHOOL BOARD*

County of Appomattox, Virginia
Combining Balance Sheet
Discretely Presented Component Unit - School Board
June 30, 2011

	<u>School Operating Fund</u>	<u>School Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 1,790,486	\$ 1,205,837	\$ 2,996,323
Cash in custody of others	-	4,000	4,000
Receivables (net of allowance for uncollectibles):			
Accounts receivable	12,454	1,741	14,195
Due from other governmental units	1,485,605	-	1,485,605
Total assets	<u>\$ 3,288,545</u>	<u>\$ 1,211,578</u>	<u>\$ 4,500,123</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 19,930	\$ -	\$ 19,930
Accrued liabilities	1,612,699	-	1,612,699
Due to other governmental units	1,478,389	59,065	1,537,454
Total liabilities	<u>\$ 3,111,018</u>	<u>\$ 59,065</u>	<u>\$ 3,170,083</u>
Fund balances:			
Committed	\$ 175,527	\$ 1,152,513	\$ 1,328,040
Unassigned	2,000	-	2,000
Total fund balances	<u>\$ 177,527</u>	<u>\$ 1,152,513</u>	<u>\$ 1,330,040</u>
Total liabilities and fund balances	<u>\$ 3,288,545</u>	<u>\$ 1,211,578</u>	<u>\$ 4,500,123</u>

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

Total fund balances per above	\$ 1,330,040
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	9,853,181
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.	(593,321)
Net assets of governmental activities	<u>\$ 10,589,900</u>

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, 2011

	School Operating Fund	School Special Revenue Fund	Total Governmental Funds
REVENUES			
Revenue from the use of money and property	\$ 2,147	\$ 1,752	\$ 3,899
Charges for services	112,925	384,248	497,173
Miscellaneous	127,183	-	127,183
Recovered costs	161,432	-	161,432
Intergovernmental revenues:			
Local government	3,859,578	-	3,859,578
Commonwealth	12,427,178	12,132	12,439,310
Federal	2,538,932	587,196	3,126,128
Total revenues	<u>\$ 19,229,375</u>	<u>\$ 985,328</u>	<u>\$ 20,214,703</u>
EXPENDITURES			
Current:			
Education	\$ 19,565,308	\$ 121,194	\$ 19,686,502
Capital projects	462,539	-	462,539
Debt service:			
Principal retirement	21,279	-	21,279
Interest and other fiscal charges	41,222	-	41,222
Total expenditures	<u>\$ 20,090,348</u>	<u>\$ 121,194</u>	<u>\$ 20,211,542</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (860,973)</u>	<u>\$ 864,134</u>	<u>\$ 3,161</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 860,973	\$ -	\$ 860,973
Transfers out	-	(860,973)	(860,973)
Total other financing sources and uses	<u>\$ 860,973</u>	<u>\$ (860,973)</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ 3,161	\$ 3,161
Fund balances - beginning	177,527	1,149,352	1,326,879
Fund balances - ending	<u>\$ 177,527</u>	<u>\$ 1,152,513</u>	<u>\$ 1,330,040</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 \$ 3,161

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	\$ 977,466	
Depreciation expense	<u>(905,179)</u>	72,287

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>\$ 21,279</u>	21,279
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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>\$ (28,080)</u>	(28,080)
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Change in net assets of governmental activities	<u><u>\$ 68,647</u></u>
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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, 2011

	School Operating Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 12,500	\$ 12,500	\$ 2,147	\$ (10,353)
Charges for services	40,100	40,100	112,925	72,825
Miscellaneous	53,000	53,000	127,183	74,183
Recovered costs	305,435	305,435	161,432	(144,003)
Intergovernmental revenues:				
Local government	4,189,036	4,189,036	3,859,578	(329,458)
Commonwealth	12,610,009	12,627,027	12,427,178	(199,849)
Federal	1,523,503	3,384,936	2,538,932	(846,004)
Total revenues	<u>\$ 18,733,583</u>	<u>\$ 20,612,034</u>	<u>\$ 19,229,375</u>	<u>\$ (1,382,659)</u>
EXPENDITURES				
Current:				
Education	\$ 19,642,469	\$ 21,520,920	\$ 19,565,308	\$ 1,955,612
Capital projects	20,000	20,000	462,539	(442,539)
Debt service:				
Principal retirement	21,279	21,279	21,279	-
Interest and other fiscal charges	41,222	41,222	41,222	-
Total expenditures	<u>\$ 19,724,970</u>	<u>\$ 21,603,421</u>	<u>\$ 20,090,348</u>	<u>\$ 1,513,073</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (991,387)</u>	<u>\$ (991,387)</u>	<u>\$ (860,973)</u>	<u>\$ 130,414</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 985,387	\$ 985,387	\$ 860,973	\$ (124,414)
Total other financing sources and uses	<u>\$ 985,387</u>	<u>\$ 985,387</u>	<u>\$ 860,973</u>	<u>\$ (124,414)</u>
Net change in fund balances	\$ (6,000)	\$ (6,000)	\$ -	\$ 6,000
Fund balances - beginning	100,000	100,000	177,527	77,527
Fund balances - ending	<u>\$ 94,000</u>	<u>\$ 94,000</u>	<u>\$ 177,527</u>	<u>\$ 83,527</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, 2011

	<u>School Special Revenue Fund</u>			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 3,000	\$ 3,000	\$ 1,752	\$ (1,248)
Charges for services	425,000	425,000	384,248	(40,752)
Miscellaneous	4,500	4,500	-	(4,500)
Intergovernmental revenues:				
Commonwealth	14,000	14,000	12,132	(1,868)
Federal	473,000	473,000	587,196	114,196
Total revenues	<u>\$ 919,500</u>	<u>\$ 919,500</u>	<u>\$ 985,328</u>	<u>\$ 65,828</u>
EXPENDITURES				
Current:				
Education	\$ -	\$ -	\$ 121,194	\$ (121,194)
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,194</u>	<u>\$ (121,194)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 919,500</u>	<u>\$ 919,500</u>	<u>\$ 864,134</u>	<u>\$ (55,366)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (985,387)	\$ (985,387)	\$ (860,973)	\$ 124,414
Total other financing sources and uses	<u>\$ (985,387)</u>	<u>\$ (985,387)</u>	<u>\$ (860,973)</u>	<u>\$ 124,414</u>
Net change in fund balances	\$ (65,887)	\$ (65,887)	\$ 3,161	\$ 69,048
Fund balances - beginning	65,887	65,887	1,149,352	1,083,465
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,152,513</u>	<u>\$ 1,152,513</u>

*DISCRETELY PRESENTED COMPONENT UNIT
ECONOMIC DEVELOPMENT AUTHORITY*

County of Appomattox, Virginia
Statement of Net Assets
Discretely Presented Component Unit-Economic Development Authority
June 30, 2011

ASSETS

Current assets:		
Cash and cash equivalents		\$ 60,385
Noncurrent assets:		
Capital assets:		
Land	\$ 1,386,773	
Infrastructure	1,917,079	
Less accumulated depreciation	(451,311)	
Total capital assets	<u>\$ 2,852,541</u>	
Total noncurrent assets		<u>\$ 2,852,541</u>
Total assets		<u>\$ 2,912,926</u>

NET ASSETS

Invested in capital assets, net of related debt	\$ 2,852,541
Unrestricted	60,385
Total net assets	<u><u>\$ 2,912,926</u></u>

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, 2011

OPERATING REVENUES

Charges for services:

Rent	\$ 1,180
Miscellaneous	52,575
Total operating revenues	\$ 53,755

OPERATING EXPENSES

Other supplies and expenses	\$ 5,336
Depreciation	52,117
Total operating expenses	\$ 57,453

Operating income (loss)	\$ (3,698)
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NONOPERATING REVENUES (EXPENSES)

Investment earnings	\$ 365
Total nonoperating revenues (expenses)	\$ 365

Change in net assets	\$ (3,333)
----------------------	------------

Total net assets - beginning	2,916,259
Total net assets - ending	\$ 2,912,926

County of Appomattox, Virginia
Statement of Cash Flows
Discretely Presented Component Unit-Economic Development Authority
For the Year Ended June 30, 2011

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 53,755
Payments for operating activities	<u>(5,336)</u>

Net cash provided (used) by operating activities	<u>\$ 48,419</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest and dividends received	<u>\$ 365</u>
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Net cash provided (used) by investing activities	<u>\$ 365</u>
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Net increase (decrease) in cash and cash equivalents	48,784
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Cash and cash equivalents - beginning	<u>11,601</u>
Cash and cash equivalents - ending	<u><u>\$ 60,385</u></u>

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

Operating income (loss)	\$ (3,698)
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Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:

Depreciation expense	<u>52,117</u>
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Total adjustments	<u>\$ 52,117</u>
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Net cash provided (used) by operating activities	<u><u>\$ 48,419</u></u>
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SUPPORTING SCHEDULES

County of Appomattox, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2011

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	\$ 6,153,289	\$ 6,153,289	\$ 6,137,875	\$ (15,414)
Real and personal public service corporation taxes	386,212	386,212	413,660	27,448
Personal property taxes	2,372,458	2,372,458	2,153,570	(218,888)
Machinery and tools taxes	339,140	339,140	260,072	(79,068)
Merchant's capital taxes	99,396	99,396	97,839	(1,557)
Penalties	65,000	65,000	80,392	15,392
Interest	35,000	35,000	43,539	8,539
Total general property taxes	<u>\$ 9,450,495</u>	<u>\$ 9,450,495</u>	<u>\$ 9,186,947</u>	<u>\$ (263,548)</u>
Other local taxes:				
Local sales and use taxes	\$ 800,000	\$ 800,000	\$ 1,000,072	\$ 200,072
Consumers' utility taxes	300,000	300,000	370,241	70,241
Motor vehicle licenses	-	-	338,460	338,460
Taxes on recordation and wills	90,500	90,500	67,760	(22,740)
Total other local taxes	<u>\$ 1,190,500</u>	<u>\$ 1,190,500</u>	<u>\$ 1,776,533</u>	<u>\$ 586,033</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 7,500	\$ 7,500	\$ 8,559	\$ 1,059
Permits and other licenses	110,009	110,009	74,779	(35,230)
Total permits, privilege fees, and regulatory licenses	<u>\$ 117,509</u>	<u>\$ 117,509</u>	<u>\$ 83,338</u>	<u>\$ (34,171)</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 25,000	\$ 25,000	\$ 111,412	\$ 86,412
Total fines and forfeitures	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 111,412</u>	<u>\$ 86,412</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 24,000	\$ 24,000	\$ 102,528	\$ 78,528
Revenue from use of property	77,045	77,045	131,758	54,713
Total revenue from use of money and property	<u>\$ 101,045</u>	<u>\$ 101,045</u>	<u>\$ 234,286</u>	<u>\$ 133,241</u>
Charges for services:				
Sheriff's fees	\$ 794	\$ 794	\$ 795	\$ 1
Charges for Commonwealth's Attorney	450	450	635	185
Charges for sanitation and waste removal	82,057	82,057	97,107	15,050
Charges for planning and community development	700	700	-	(700)
Charges for correction and detention	14,000	14,000	21,358	7,358
Charges for other protection	1,500	1,500	3,711	2,211
Charges for recreation	26,000	26,000	38,727	12,727
Charges for library	14,000	14,000	-	(14,000)
Total charges for services	<u>\$ 139,501</u>	<u>\$ 139,501</u>	<u>\$ 162,333</u>	<u>\$ 22,832</u>
Miscellaneous revenue:				
Miscellaneous	\$ 120,782	\$ 120,782	\$ 280,621	\$ 159,839
Total miscellaneous revenue	<u>\$ 120,782</u>	<u>\$ 120,782</u>	<u>\$ 280,621</u>	<u>\$ 159,839</u>
Recovered costs:				
Electronic monitoring	\$ 2,000	\$ 2,000	\$ 2,370	\$ 370
Town recoveries	56,173	56,173	68,135	11,962
Nottoway County salary reimbursement	30,355	30,355	13,637	(16,718)
Health department	-	-	19,819	19,819
Total recovered costs	<u>\$ 88,528</u>	<u>\$ 88,528</u>	<u>\$ 103,961</u>	<u>\$ 15,433</u>
Total revenue from local sources	<u>\$ 11,233,360</u>	<u>\$ 11,233,360</u>	<u>\$ 11,939,431</u>	<u>\$ 706,071</u>

County of Appomattox, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2011

Schedule 1
Page 2 of 6

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from Appomattox County School Board	\$ -	\$ -	\$ 59,065	\$ 59,065
Total revenues from local governments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,065</u>	<u>\$ 59,065</u>
Revenue from the Commonwealth:				
Noncategorical aid:				
ABC profits	\$ 6,000	\$ 6,000	\$ -	\$ (6,000)
Wine taxes	7,000	7,000	-	(7,000)
Motor vehicle carriers' tax	450	450	-	(450)
Mobile home titling tax	35,000	35,000	14,965	(20,035)
Rolling stock tax	35,000	35,000	38,840	3,840
Auto rental tax	1,000	1,000	1,784	784
Additional tax on deeds	23,100	23,100	16,402	(6,698)
State recordation tax	30,000	30,000	28,552	(1,448)
Communications tax	600,000	600,000	586,920	(13,080)
Personal property tax relief funds	1,127,679	1,127,679	1,023,637	(104,042)
Payback to the Commonwealth	(228,000)	(228,000)	(130,249)	97,751
Total noncategorical aid	<u>\$ 1,637,229</u>	<u>\$ 1,637,229</u>	<u>\$ 1,580,851</u>	<u>\$ (56,378)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 313,476	\$ 313,476	\$ 288,678	\$ (24,798)
Sheriff	1,251,312	1,251,312	1,176,485	(74,827)
Commissioner of revenue	113,766	113,766	92,198	(21,568)
Treasurer	102,486	102,486	79,618	(22,868)
Medical examiner	500	500	-	(500)
Registrar/electoral board	50,000	50,000	38,385	(11,615)
Clerk of the Circuit Court	164,793	164,793	161,901	(2,892)
Total shared expenses	<u>\$ 1,996,333</u>	<u>\$ 1,996,333</u>	<u>\$ 1,837,265</u>	<u>\$ (159,068)</u>
Other categorical aid:				
Public assistance and welfare administration	\$ 461,191	\$ 461,191	\$ 414,470	\$ (46,721)
Comprehensive services act	935,280	935,280	632,178	(303,102)
Emergency medical services	15,186	15,186	21,546	6,360
Fire programs fund	31,981	31,981	33,933	1,952
Local jail block grant	80,000	80,000	55,880	(24,120)
Library grant	39,285	39,285	39,064	(221)
Department of forestry grant	23,000	23,000	17,441	(5,559)
Victim witness grant	21,384	21,384	5,508	(15,876)
Litter control grant	7,125	7,125	7,944	819
Virginia domestic violence victims fund	40,000	40,000	40,000	-
Sheriff's overtime grant	2,000	2,000	9,318	7,318
Total other categorical aid	<u>\$ 1,656,432</u>	<u>\$ 1,656,432</u>	<u>\$ 1,277,282</u>	<u>\$ (379,150)</u>
Total categorical aid	<u>\$ 3,652,765</u>	<u>\$ 3,652,765</u>	<u>\$ 3,114,547</u>	<u>\$ (538,218)</u>
Total revenue from the Commonwealth	<u>\$ 5,289,994</u>	<u>\$ 5,289,994</u>	<u>\$ 4,695,398</u>	<u>\$ (594,596)</u>

County of Appomattox, Virginia
 Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2011

<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: (Continued)				
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	\$ 2,136	\$ 2,136	\$ 4,079	\$ 1,943
Categorical aid:				
Bulletproof vest grant	\$ -	\$ -	\$ 4,250	\$ 4,250
Public assistance and welfare administration	805,691	805,691	734,949	(70,742)
Transportation safety	-	-	21,458	21,458
Crime victim assistance	-	-	16,524	16,524
Total categorical aid	<u>\$ 805,691</u>	<u>\$ 805,691</u>	<u>\$ 777,181</u>	<u>\$ (28,510)</u>
Total revenue from the federal government	<u>\$ 807,827</u>	<u>\$ 807,827</u>	<u>\$ 781,260</u>	<u>\$ (26,567)</u>
Total General Fund	<u>\$ 17,331,181</u>	<u>\$ 17,331,181</u>	<u>\$ 17,475,154</u>	<u>\$ 143,973</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	\$ -	\$ -	\$ 278	\$ 278
Charges for services:				
Court costs- law library	\$ -	\$ -	\$ 3,446	\$ 3,446
Courthouse security fees	-	-	42,330	42,330
Courthouse maintenance fees	-	-	9,087	9,087
Total charges for services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,863</u>	<u>\$ 54,863</u>
Miscellaneous revenue:				
Jail collections	\$ -	\$ -	\$ 9,213	\$ 9,213
Total miscellaneous revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,213</u>	<u>\$ 9,213</u>
Revenue from the Commonwealth:				
Categorical aid:				
Wireless grant	\$ -	\$ -	\$ 49,407	\$ 49,407
Forfeited assets	-	-	817	817
Comprehensive services	9,201	9,201	9,201	-
Total categorical aid	<u>\$ 9,201</u>	<u>\$ 9,201</u>	<u>\$ 59,425</u>	<u>\$ 50,224</u>
Total revenue from the Commonwealth	<u>\$ 9,201</u>	<u>\$ 9,201</u>	<u>\$ 59,425</u>	<u>\$ 50,224</u>
Total County Special Revenue Fund	<u>\$ 9,201</u>	<u>\$ 9,201</u>	<u>\$ 123,779</u>	<u>\$ 114,578</u>

County of Appomattox, Virginia
 Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2011

Schedule 1
 Page 4 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>
Capital Projects Fund:				
County Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 4,276	\$ 4,276
Total revenue from use of money and property	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,276</u>	<u>\$ 4,276</u>
Miscellaneous revenue:				
Bidder fee	\$ -	\$ -	25,000	25,000
Total miscellaneous revenue	<u>\$ -</u>	<u>\$ -</u>	<u>25,000</u>	<u>25,000</u>
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,276</u>	<u>\$ 29,276</u>
Total County Capital Projects Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,276</u>	<u>\$ 29,276</u>
Total Primary Government	<u>\$ 17,340,382</u>	<u>\$ 17,340,382</u>	<u>\$ 17,628,209</u>	<u>\$ 287,827</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	\$ -	\$ -	260	\$ 260
Revenue from the use of property	12,500	12,500	1,887	(10,613)
Total revenue from use of money and property	<u>\$ 12,500</u>	<u>\$ 12,500</u>	<u>\$ 2,147</u>	<u>\$ (10,353)</u>
Charges for services:				
Charges for education	\$ 40,100	\$ 40,100	\$ 112,925	\$ 72,825
Miscellaneous revenue:				
Miscellaneous	\$ 53,000	\$ 53,000	\$ 127,183	\$ 74,183
Recovered costs:				
Tuition from state agencies	\$ 4,200	\$ 4,200	\$ 30,317	\$ 26,117
Special education regional tuition	301,235	301,235	131,115	(170,120)
Total recovered costs	<u>\$ 305,435</u>	<u>\$ 305,435</u>	<u>\$ 161,432</u>	<u>\$ (144,003)</u>
Total revenue from local sources	<u>\$ 411,035</u>	<u>\$ 411,035</u>	<u>\$ 403,687</u>	<u>\$ (7,348)</u>
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Appomattox	\$ 4,189,036	\$ 4,189,036	\$ 3,859,578	\$ (329,458)
Total revenues from local governments	<u>\$ 4,189,036</u>	<u>\$ 4,189,036</u>	<u>\$ 3,859,578</u>	<u>\$ (329,458)</u>
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 1,818,057	\$ 1,818,057	\$ 1,892,377	\$ 74,320
Basic school aid	7,351,767	7,351,767	6,990,714	(361,053)
English as a second language	785	785	785	-
Adult secondary education	17,375	17,375	1,486	(15,889)
Gifted and talented	72,558	72,558	72,761	203

County of Appomattox, Virginia
 Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2011

<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	\$ 177,365	\$ 177,365	\$ 177,860	\$ 495
Special education	956,157	956,157	1,140,097	183,940
Textbook payment	84,716	84,716	84,952	236
ISAEF	7,859	7,859	7,859	-
Vocational education	380,025	380,025	381,385	1,360
School fringes	714,295	714,295	716,289	1,994
Foster care	24,924	24,924	15,118	(9,806)
Composite index	466,192	466,192	425,139	(41,053)
Remedial Ed-Summer School	146,465	146,465	93,205	(53,260)
Homebound	-	-	25,346	25,346
Virtual VA chinese	-	-	158	158
K-3 initiative	237,469	237,469	243,368	5,899
Technology grant	154,000	154,000	154,000	-
Mentor teachers	-	-	1,779	1,779
Other state aid	-	17,018	2,500	(14,518)
Total categorical aid	<u>\$ 12,610,009</u>	<u>\$ 12,627,027</u>	<u>\$ 12,427,178</u>	<u>\$ (199,849)</u>
Total revenue from the Commonwealth	<u>\$ 12,610,009</u>	<u>\$ 12,627,027</u>	<u>\$ 12,427,178</u>	<u>\$ (199,849)</u>
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 494,577	\$ 548,139	\$ 502,365	\$ (45,774)
Vocational education	42,094	42,094	36,216	(5,878)
Title II Part A	115,351	116,743	128,852	12,109
Drug free schools	8,116	-	3,207	3,207
Title III, Part A	-	121	-	(121)
Title VIB	462,719	461,920	419,030	(42,890)
Title II Part D	5,143	4,005	1,500	(2,505)
Preschool grant	17,206	17,206	17,205	(1)
21st Century learning grant	-	87,232	86,039	(1,193)
Title I - ARRA	100,000	107,242	35,432	(71,810)
Title VI-B - ARRA	249,883	310,255	167,757	(142,498)
Preschool - ARRA	8,414	11,217	6,848	(4,369)
State fiscal stabilization funds	20,000	869,925	845,412	(24,513)
Education jobs fund - ARRA	-	808,837	276,475	(532,362)
Education technology - ARRA	-	-	12,594	12,594
Total categorical aid	<u>\$ 1,523,503</u>	<u>\$ 3,384,936</u>	<u>\$ 2,538,932</u>	<u>\$ (846,004)</u>
Total revenue from the federal government	<u>\$ 1,523,503</u>	<u>\$ 3,384,936</u>	<u>\$ 2,538,932</u>	<u>\$ (846,004)</u>
Total School Operating Fund	<u>\$ 18,733,583</u>	<u>\$ 20,612,034</u>	<u>\$ 19,229,375</u>	<u>\$ (1,382,659)</u>

County of Appomattox, Virginia
 Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2011

<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	\$ 3,000	\$ 3,000	\$ 1,752	\$ (1,248)
Charges for services:				
Cafeteria sales	\$ 425,000	\$ 425,000	\$ 383,888	\$ (41,112)
Textbook fees	-	-	360	360
Total charges for services	<u>\$ 425,000</u>	<u>\$ 425,000</u>	<u>\$ 384,248</u>	<u>\$ (40,752)</u>
Miscellaneous revenue:				
Miscellaneous	\$ 4,500	\$ 4,500	-	\$ (4,500)
Total miscellaneous revenue	<u>\$ 4,500</u>	<u>\$ 4,500</u>	<u>\$ -</u>	<u>\$ (4,500)</u>
Total revenue from local sources	<u>\$ 432,500</u>	<u>\$ 432,500</u>	<u>\$ 386,000</u>	<u>\$ (46,500)</u>
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 14,000	\$ 14,000	\$ 12,132	\$ (1,868)
Total revenue from the Commonwealth	<u>\$ 14,000</u>	<u>\$ 14,000</u>	<u>\$ 12,132</u>	<u>\$ (1,868)</u>
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 473,000	\$ 473,000	\$ 525,067	\$ 52,067
Commodities	-	-	62,129	62,129
Total categorical aid	<u>\$ 473,000</u>	<u>\$ 473,000</u>	<u>\$ 587,196</u>	<u>\$ 114,196</u>
Total revenue from the federal government	<u>\$ 473,000</u>	<u>\$ 473,000</u>	<u>\$ 587,196</u>	<u>\$ 114,196</u>
Total School Special Revenue Fund	<u>\$ 919,500</u>	<u>\$ 919,500</u>	<u>\$ 985,328</u>	<u>\$ 65,828</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 19,653,083</u>	<u>\$ 21,531,534</u>	<u>\$ 20,214,703</u>	<u>\$ (1,316,831)</u>

County of Appomattox, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2011

<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	\$ 358,483	\$ 232,479	\$ 202,212	\$ 30,267
General and financial administration:				
County administrator	\$ 378,235	\$ 382,913	\$ 363,046	\$ 19,867
Legal services	37,500	60,670	58,823	1,847
Commissioner of revenue	327,100	330,534	298,604	31,930
Independent auditor	43,500	39,681	33,450	6,231
Treasurer	266,718	279,913	270,881	9,032
Management information systems	116,950	116,950	81,497	35,453
Other general and financial administration	-	-	3,885	(3,885)
Total general and financial administration	<u>\$ 1,170,003</u>	<u>\$ 1,210,661</u>	<u>\$ 1,110,186</u>	<u>\$ 100,475</u>
Board of elections:				
Electoral board and officials	\$ 55,057	\$ 55,210	\$ 32,706	\$ 22,504
Registrar	84,528	89,518	84,296	5,222
Total board of elections	<u>\$ 139,585</u>	<u>\$ 144,728</u>	<u>\$ 117,002</u>	<u>\$ 27,726</u>
Total general government administration	<u>\$ 1,668,071</u>	<u>\$ 1,587,868</u>	<u>\$ 1,429,400</u>	<u>\$ 158,468</u>
Judicial administration:				
Courts:				
Circuit court	\$ 20,534	\$ 20,534	\$ 18,262	\$ 2,272
General district court	3,598	3,598	3,189	409
Special Magistrates	1,000	1,000	973	27
Court services unit	201,232	201,232	176,923	24,309
Juvenile and domestic relations court	5,250	5,250	4,679	571
Sheriff	78,869	79,591	78,079	1,512
Witness advocate grant	40,047	66,031	43,415	22,616
VA domestic victim grant	21,302	23,209	22,589	620
Clerk of the circuit court	244,958	258,710	221,443	37,267
Total courts	<u>\$ 616,790</u>	<u>\$ 659,155</u>	<u>\$ 569,552</u>	<u>\$ 89,603</u>
Commonwealth's attorney:				
Commonwealth's attorney	\$ 390,959	\$ 400,025	\$ 375,736	\$ 24,289
Total commonwealth's attorney	<u>\$ 390,959</u>	<u>\$ 400,025</u>	<u>\$ 375,736</u>	<u>\$ 24,289</u>
Total judicial administration	<u>\$ 1,007,749</u>	<u>\$ 1,059,180</u>	<u>\$ 945,288</u>	<u>\$ 113,892</u>
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 2,066,462	\$ 2,129,166	\$ 1,960,295	\$ 168,871
School resource officer	94,018	95,461	89,751	5,710
DARE	2,000	2,015	1,390	625
DMV grant	-	167	-	167
DMV traffic control grant	-	24,408	19,131	5,277
Total law enforcement and traffic control	<u>\$ 2,162,480</u>	<u>\$ 2,251,217</u>	<u>\$ 2,070,567</u>	<u>\$ 180,650</u>
Fire and rescue services:				
Fire department	\$ 134,631	\$ 136,844	\$ 161,772	\$ (24,928)
Ambulance and rescue services	38,719	39,115	64,073	(24,958)
Forestry service	11,124	11,124	9,959	1,165
Total fire and rescue services	<u>\$ 184,474</u>	<u>\$ 187,083</u>	<u>\$ 235,804</u>	<u>\$ (48,721)</u>
Correction and detention:				
Sheriff	\$ 418,131	\$ 420,852	\$ 320,635	\$ 100,217
Total correction and detention	<u>\$ 418,131</u>	<u>\$ 420,852</u>	<u>\$ 320,635</u>	<u>\$ 100,217</u>

County of Appomattox, Virginia
 Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2011

Schedule 2
 Page 2 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)				
Public safety: (Continued)				
Inspections:				
Building	\$ 66,387	\$ 69,117	\$ 65,599	\$ 3,518
Total inspections	<u>\$ 66,387</u>	<u>\$ 69,117</u>	<u>\$ 65,599</u>	<u>\$ 3,518</u>
Other protection:				
Animal control	\$ 135,564	\$ 139,499	\$ 129,974	\$ 9,525
Emergency services	14,687	14,957	14,044	913
E-911	588,700	658,465	639,641	18,824
Medical examiner	500	500	80	420
Total other protection	<u>\$ 739,451</u>	<u>\$ 813,421</u>	<u>\$ 783,739</u>	<u>\$ 29,682</u>
Total public safety	<u>\$ 3,570,923</u>	<u>\$ 3,741,690</u>	<u>\$ 3,476,344</u>	<u>\$ 265,346</u>
Public works:				
Sanitation and waste removal:				
Refuse disposal	\$ 543,836	\$ 551,373	\$ 404,795	\$ 146,578
Tire security	31,016	31,593	31,251	342
Refuse collection	475,970	507,537	459,434	48,103
Total sanitation and waste removal	<u>\$ 1,050,822</u>	<u>\$ 1,090,503</u>	<u>\$ 895,480</u>	<u>\$ 195,023</u>
Maintenance of general buildings and grounds:				
General properties	\$ 472,803	\$ 487,654	\$ 467,067	\$ 20,587
Total maintenance of general buildings and grounds	<u>\$ 472,803</u>	<u>\$ 487,654</u>	<u>\$ 467,067</u>	<u>\$ 20,587</u>
Total public works	<u>\$ 1,523,625</u>	<u>\$ 1,578,157</u>	<u>\$ 1,362,547</u>	<u>\$ 215,610</u>
Health and welfare:				
Health:				
Local health department	\$ 111,863	\$ 111,863	\$ 111,863	\$ -
Total health	<u>\$ 111,863</u>	<u>\$ 111,863</u>	<u>\$ 111,863</u>	<u>\$ -</u>
Mental health and mental retardation:				
Central VA Community Services	\$ 40,228	\$ 40,228	\$ 50,285	\$ (10,057)
Central VA Commission on Aging	5,768	5,768	5,768	-
Total mental health and mental retardation	<u>\$ 45,996</u>	<u>\$ 45,996</u>	<u>\$ 56,053</u>	<u>\$ (10,057)</u>
Welfare:				
Public assistance and welfare administration	\$ 1,580,035	\$ 1,589,186	\$ 1,427,891	\$ 161,295
Comprehensive services act	1,256,773	1,265,273	863,820	401,453
Total welfare	<u>\$ 2,836,808</u>	<u>\$ 2,854,459</u>	<u>\$ 2,291,711</u>	<u>\$ 562,748</u>
Total health and welfare	<u>\$ 2,994,667</u>	<u>\$ 3,012,318</u>	<u>\$ 2,459,627</u>	<u>\$ 552,691</u>
Education:				
Other instructional costs:				
Contributions to Community College	\$ 10,904	\$ 10,904	\$ 10,904	\$ -
Contribution to County School Board	4,095,036	4,095,036	3,807,364	287,672
Total education	<u>\$ 4,105,940</u>	<u>\$ 4,105,940</u>	<u>\$ 3,818,268</u>	<u>\$ 287,672</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 274,859	\$ 285,621	\$ 288,430	\$ (2,809)
Total parks and recreation	<u>\$ 274,859</u>	<u>\$ 285,621</u>	<u>\$ 288,430</u>	<u>\$ (2,809)</u>

County of Appomattox, Virginia
 Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2011

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	\$ 28,576	\$ 29,376	\$ 29,376	\$ -
Total cultural enrichment	<u>\$ 28,576</u>	<u>\$ 29,376</u>	<u>\$ 29,376</u>	<u>\$ -</u>
Library:				
Public library	\$ 188,788	\$ 215,439	\$ 201,488	\$ 13,951
Total library	<u>\$ 188,788</u>	<u>\$ 215,439</u>	<u>\$ 201,488</u>	<u>\$ 13,951</u>
Total parks, recreation, and cultural	<u>\$ 492,223</u>	<u>\$ 530,436</u>	<u>\$ 519,294</u>	<u>\$ 11,142</u>
Community development:				
Planning and community development:				
Planning and zoning	\$ 120,465	\$ 137,792	\$ 114,706	\$ 23,086
Tourism	18,000	18,000	17,618	382
Economic development	105,000	194,339	49,053	145,286
Total planning and community development	<u>\$ 243,465</u>	<u>\$ 350,131</u>	<u>\$ 181,377</u>	<u>\$ 168,754</u>
Environmental management:				
Contribution to soil and water conservation district	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Erosion and sediment control	61,065	54,390	38,027	16,363
Litter control program	6,500	7,944	7,944	-
Recycling	112,894	92,888	61,277	31,611
Total environmental management	<u>\$ 190,459</u>	<u>\$ 165,222</u>	<u>\$ 117,248</u>	<u>\$ 47,974</u>
Cooperative extension program:				
Extension office	\$ 42,289	\$ 42,289	\$ 40,510	\$ 1,779
Total cooperative extension program	<u>\$ 42,289</u>	<u>\$ 42,289</u>	<u>\$ 40,510</u>	<u>\$ 1,779</u>
Total community development	<u>\$ 476,213</u>	<u>\$ 557,642</u>	<u>\$ 339,135</u>	<u>\$ 218,507</u>
Capital projects:				
Town/County Sewer Project	\$ 76,573	\$ 76,573	\$ 76,573	\$ -
Waterline project	3,310,448	3,310,448	251,940	3,058,508
Other capital projects	-	-	412,479	(412,479)
Landfill cell	87,552	87,552	-	87,552
Landfill equipment	41,956	41,956	39,948	2,008
Virginia department of health	-	-	231,036	(231,036)
Total capital projects	<u>\$ 3,516,529</u>	<u>\$ 3,516,529</u>	<u>\$ 1,011,976</u>	<u>\$ 2,504,553</u>
Debt service:				
Principal retirement	\$ 819,202	\$ 819,202	\$ 798,767	\$ 20,435
Interest and other fiscal charges	959,706	959,706	935,766	23,940
Total debt service	<u>\$ 1,778,908</u>	<u>\$ 1,778,908</u>	<u>\$ 1,734,533</u>	<u>\$ 44,375</u>
Total General Fund	<u>\$ 21,134,848</u>	<u>\$ 21,468,668</u>	<u>\$ 17,096,412</u>	<u>\$ 4,372,256</u>
Special Revenue Fund:				
County Special Revenue Fund:				
Public Safety:				
Asset forfeiture	\$ -	\$ -	\$ 10,000	\$ (10,000)
Total public safety	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ (10,000)</u>
Total County Special Revenue Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ (10,000)</u>

County of Appomattox, Virginia
 Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2011

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:				
Education:				
Other instructional costs:				
Contribution to County School Board	\$ 94,000	\$ 94,000	\$ 52,214	\$ 41,786
Total education	<u>\$ 94,000</u>	<u>\$ 94,000</u>	<u>\$ 52,214</u>	<u>\$ 41,786</u>
Debt service:				
Debt issuance costs	\$ -	\$ -	\$ 289,776	\$ (289,776)
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 289,776</u>	<u>\$ (289,776)</u>
Total County Capital Projects Fund	<u>\$ 94,000</u>	<u>\$ 94,000</u>	<u>\$ 341,990</u>	<u>\$ (247,990)</u>
Total Primary Government	<u>\$ 21,228,848</u>	<u>\$ 21,562,668</u>	<u>\$ 17,448,402</u>	<u>\$ 4,114,266</u>
Discretely Presented Component Unit - School Board:				
Special Revenue Funds:				
School Operating Fund:				
Education:				
Administration, health, and attendance	\$ 1,079,433	\$ 1,079,433	\$ 1,128,294	\$ (48,861)
Instruction costs	14,116,397	15,994,848	14,451,772	1,543,076
Pupil transportation	1,261,976	1,261,976	1,460,774	(198,798)
Operation and maintenance of school plant	2,199,276	2,199,276	1,795,870	403,406
School food	985,387	985,387	728,598	256,789
Total education	<u>\$ 19,642,469</u>	<u>\$ 21,520,920</u>	<u>\$ 19,565,308</u>	<u>\$ 1,955,612</u>
Capital projects:				
Architectural and engineering fees	\$ 20,000	\$ 20,000	\$ 462,539	\$ (442,539)
Total capital projects	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 462,539</u>	<u>\$ (442,539)</u>
Debt service:				
Principal retirement	\$ 21,279	\$ 21,279	\$ 21,279	\$ -
Interest and other fiscal charges	41,222	41,222	41,222	-
Total debt service	<u>\$ 62,501</u>	<u>\$ 62,501</u>	<u>\$ 62,501</u>	<u>\$ -</u>
Total School Operating Fund	<u>\$ 19,724,970</u>	<u>\$ 21,603,421</u>	<u>\$ 20,090,348</u>	<u>\$ 1,513,073</u>
School Special Revenue Fund:				
Education:				
Contribution to Appomattox County	\$ -	\$ -	\$ 59,065	\$ (59,065)
Commodities	-	-	62,129	(62,129)
Total education	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,194</u>	<u>\$ (121,194)</u>
Total School Special Revenue Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,194</u>	<u>\$ (121,194)</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 19,724,970</u>	<u>\$ 21,603,421</u>	<u>\$ 20,211,542</u>	<u>\$ 1,391,879</u>

STATISTICAL SECTION

Table 1

County of Appomattox, Virginia
Government-Wide Expenses by Function
Last Nine 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
2011	1,546,970	1,039,084	3,271,440	2,260,607	2,437,086	4,483,112	534,829	382,584	938,409	16,894,121

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

Table 2

**County of Appomattox, Virginia
Government-Wide Revenues
Last Nine 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	Payment from Appomattox School Board		
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	
2011	411,946	3,951,153	-	9,681,328	1,776,533	238,840	314,834	1,584,930	-	59,065	-	18,018,629	

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

Table 3

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

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Debt Service	Total
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
2011	1,429,400	945,288	3,496,344	1,362,547	2,459,627	19,645,192	519,294	339,135	1,797,034	31,993,861

(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
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
2011	9,186,947	1,776,533	83,338	111,412	238,463	714,369	417,017	265,393	21,101,521	33,894,993

(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		Outstanding Delinquent Taxes (1,2)	Percent of Delinquent Taxes to Tax Levy
						Total Tax Collections to Tax Levy	Total Tax Collections to Tax Levy		
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%	
2011	10,557,842	9,734,329	92.20%	352,324	10,086,653	95.54%	1,115,842	10.57%	

(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.

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	
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	
2011	1,272,092,722	8,915,938	70,028,002	5,839,518	10,070,429	81,689,647	468,481	1,449,104,737	

(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
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
2011	0.495/0.48	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
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	14,973	1,420,600,337	7,265,938	7,265,938	0.51%	485
2011	14,973	1,449,104,737	16,532,171	16,532,171	1.14%	1,104

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

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, 2011, which collectively comprise the County of Appomattox, Virginia's basic financial statements and have issued our report thereon dated January 6, 2012. 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.

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

Richmond, Virginia
January 6, 2012

**Independent Auditor's 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**

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, 2011. 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, 2011.

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.

A handwritten signature in black ink, appearing to read "R. F. Clark", followed by a horizontal line extending to the right.

Richmond, Virginia
January 6, 2012

County of Appomattox, Virginia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass Through Payments:			
Department of Social Services:			
Promoting Safe and Stable Families	93.556	0950109/0950110	\$ 12,556
Temporary Assistance for Needy Families (TANF)	93.558	0400109/0400110	172,220
Refugee and Entrant Assistance - State administered programs	93.566	0500109/0500110	281
Low-Income Home Energy Assistance	93.568	0600409/00600410	10,130
Child Care and Development Cluster:			
Child Care and Development Block Grants	93.575	0770109/0770110	55,071
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760109/0760110	54,004
ARRA - Child Care and Development Block Grant	93.713	0740109/0780109	6,329
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900109/090110	657
Chafee Education and Training Vouchers Program	93.599	9160108/9160199	2,484
Foster Care Cluster:			
Foster Care - Title IV-E	93.658	1100109/1100110	\$ 65,617
ARRA - Foster Care - Title IV-E	93.658	1100109/1100110	1,206
Total CFDA# 93.658			<u>\$ 66,823</u>
Adoption Assistance	93.659	1120109/11201110	4,780
Social Services Block Grant	93.667	1000109/1000110	94,116
Chafee Foster Care Independence Program	93.674	9150109/9150110	1,492
Children's Health Insurance Program	93.767	0540109/0540110	4,638
Medical Assistance Program	93.778	1200109/1200110	<u>92,165</u>
Total Department of Health and Human Services			<u>\$ 577,746</u>
Department of Agriculture:			
Pass Through Payments:			
Department of Agriculture:			
Child Nutrition Cluster:			
Food Distribution - School	10.555	17901-45707	\$ 62,129
Department of Education:			
National school lunch program	10.555	17901-40623	413,309
Total CFDA# 10.555			<u>\$ 475,438</u>
National school breakfast program	10.553	17901-40591	111,758
Department of Social Services:			
SNAP Cluster:			
ARRA - State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	0040109/0040110	153,860
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	0010109/0010100	<u>3,343</u>
Total Department of Agriculture			<u>\$ 744,399</u>
Department of the Interior:			
Direct payments:			
Bureau of Land Management:			
Payments in lieu of taxes-public law 95-561	15.226	N/A	<u>\$ 4,079</u>
Total Department of the Interior			<u>\$ 4,079</u>
Department of Justice:			
Direct payments:			
Bulletproof vest grant	16.xxx	N/A	<u>\$ 4,250</u>
Pass Through Payments:			
Department of Criminal Justice Service:			
Crime victim assistance	16.575	36001-46000	<u>\$ 16,524</u>
Total Department of Justice			<u>\$ 20,774</u>

County of Appomattox, Virginia
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2011

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Transportation: Pass Through Payments: Department of Motor Vehicles: State and community highway safety program	20.600	60507-50252/51222	\$ 21,458
Total Department of Transportation			<u>\$ 21,458</u>
Department of Education: Pass Through Payments: Department of Education: Title I, Part A Cluster: Title I: Grants to local educational agencies	84.010	17901-42901	\$ 502,365
ARRA - Title I: Grants to local educational agencies	84.389	17901-42913	35,432
Special Education Cluster: Special Education grants to states	84.027	17901-43071	419,030
Special education preschool grants	84.173	17901-62521	17,205
ARRA - Special Education grants to states	84.391	17901-61245	167,757
ARRA - Special education preschool grants	84.392	17901-61247	6,848
Career and Technical Education: Basic grants to states	84.048	17901-61095	36,216
Safe and Drug-free schools and communities	84.186	17901-60511	3,207
Improving Teacher Quality State Grants	84.367	17901-61480	128,852
Education technology cluster: Education technology state grants	84.318	17901-61600	1,500
ARRA - Education technology state grants	84.386	17901-60897	12,594
ARRA - State fiscal stabilization fund - education state grants	84.394	17901-61245	845,412
ARRA - Education jobs fund	84.410	17901-62700	276,475
21st Century Community Learning Centers	84.287	17901-60565	86,039
Total Department of Education			<u>\$ 2,538,932</u>
Total Expenditures of Federal Awards			<u>\$ 3,907,388</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, 2011

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, 2011. 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	\$ <u>781,260</u>
Total primary government	\$ <u>781,260</u>
Component Unit Public Schools:	
School Operating Fund	\$ 2,538,932
School Cafeteria Fund	<u>587,196</u>
Total component unit public schools	\$ <u>3,126,128</u>
Total federal expenditures per basic financial statements	\$ <u>3,907,388</u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ <u>3,907,388</u>

County of Appomattox, Virginia
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2011

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:

CFDA Number(s)	Name of Federal Program or Cluster
84.027/84.173/84.391/84.392	Special Education Cluster (IDEA)
84.010/84.389	Title I, Part A Cluster
84.394	State Fiscal Stabilization Fund- Education State Grants, Recovery Act
84.410	Education Jobs Fund, Recovery Act

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, 2011

There were no findings or questioned costs.