COUNTY OF NOTTOWAY, VIRGINIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

County of Nottoway, Virginia

Annual Financial Report

For The Fiscal Year Ended June 30, 2010

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County of Nottoway, Virginia

Board of Supervisors

Steve W. Bowen, Chairperson

Sherman C. Vaughn
Jack J. Green

Gary L. Simmons, Vice-Chairperson
Clarence A. Simpson

School Board

Wallace B. Hurt, Chairperson

Patricia Daniel, Vice-Chairperson
James E. Higgins
David Grounard

Jackie Hawkes
Helen M. Simmons

Board of Social Services

Betsy Davis, Chairperson

Erika Jackson, Vice-Chairperson
Esther Crawford

Lisa D. Wallace
Sally Wilkerson

Other Officials

Judge of the Circuit Court....................James F. Dalton
Clerk of the Circuit Court....................Jane L. Brown
Commonwealth's Attorney....................Mayo K. Gravatt
Treasurer....................Barbara L. Senger
Sheriff....................Larry J. Parrish
Superintendent of Schools....................Daniel Grounard
Director of Social Services....................Robert H. Reitmeier
Commissioner of the Revenue....................Irving J. Arnold
County Administrator....................Ronald E. Roark

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COUNTY OF NOTTOWAY, VIRGINIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS — A PROFESSIONAL LIMITED LIABILITY COMPANY

Independent Auditor's Report

To The Honorable Members of the Board of Supervisors
County of Nottoway
Nottoway, 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 Nottoway, Virginia, as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Nottoway, 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 Nottoway, Virginia, as of June 30, 2010, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2010, on our consideration of the County of Nottoway, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

Richmond, Virginia
December 22, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

To the Honorable Members of the Board of Supervisors
To the Citizens of Nottoway County
County of Nottoway, Virginia

As management of the County of Nottoway, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2010.

Financial Highlights

Government-wide Financial Statements

< The assets of the County exceeded its liabilities at the close of the most recent fiscal year by $39,483,879 (net assets).

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported expenditures and other uses in excess of revenues and other financing sources of $1,185,434 (Exhibit 5) after making contributions totaling $2,695,990 to the School Board.

< As of the close of the current fiscal year; the County's funds reported ending fund balances of $15,012,347, a decrease of $1,185,434 in comparison with the prior year.

< At the end of the current fiscal year, undesignated fund balance for the general fund was $12,576,405 or 90% of total general fund expenditures and other uses.

< The combined long-term obligations decreased by $1,389,421 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.

Overview of the Financial Statements (Continued)

Government-wide financial statements (Continued)

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 nets 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 Nottoway, Virginia itself (known as the primary government), but also a legally separate school district for which the County of Nottoway, Virginia is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Nottoway, 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.

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 Landfill 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.

Overview of the Financial Statements (Continued)

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

Other information - In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information for budgetary comparison schedules and presentation of combining financial statements for the discretely presented component unit - School Board. The School Board does not issue separate financial statements.

Government-wide Financial Analysis

As noted earlier, net 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 $39,483,879 at the close of the most recent fiscal year. The following table summarizes the County's Statement of Net Assets:

County of Nottoway, Virginia's Net Assets

	Governmental Activities	
	2010	2009
Current and other assets	$ 15,617,118	$ 16,639,530
Capital assets	35,336,079	34,772,661
Total assets	50,953,197	51,412,191
Current liabilities	$ 288,024	$ 323,474
Long-term liabilities outstanding	11,181,294	12,570,715
Total liabilities	11,469,318	12,894,189
Net assets:		
Invested in capital assets, net of related debt	$ 26,914,483	$ 25,792,757
Unrestricted	12,569,396	12,725,245
Total net assets	$ 39,483,879	$ 38,518,002

Government-wide Financial Analysis (Continued)

During the current fiscal year, the County's net assets increased by $965,877. The following table summarizes the County's Statement of Activities

County of Nottoway, Virginia's Changes in Net Assets

	Governmental Activities	
	2010	2009
Revenues:		
Program revenues:		
Charges for services	$ 526,548	$ 544,386
Operating grants and contributions	3,698,188	4,204,403
Capital grants and contributions	242,157	50,048
General revenues:		
General property taxes	6,143,978	5,926,926
Other local taxes	1,425,465	1,840,115
Grants and other contributions not restricted	1,470,004	797,297
Other general revenues	1,205,741	1,346,212
Total revenues	$ 14,712,081	$ 14,709,387
Expenses:		
General government administration	$ 1,030,374	$ 952,744
Judicial administration	734,255	751,950
Public safety	1,985,731	2,164,176
Public works	1,211,446	1,451,886
Health and welfare	2,719,493	2,960,851
Education	4,271,797	4,105,917
Parks, recreation, and cultural	332,705	288,816
Community development	1,192,922	761,856
Interest and other fiscal charges	267,481	253,282
Total expenses	$ 13,746,204	$ 13,691,478
Change in net assets	$ 965,877	$ 1,017,909
Net assets, beginning of year	38,518,002	37,500,093
Net assets, end of year	$ 39,483,879	$ 38,518,002

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 $15,012,347, a decrease of $1,185,434 in comparison with the prior year. Approximately 95% of this total amount constitutes unreserved General Fund balance, which is available for spending at the County's discretion.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were increases of $5,295,370 and can be briefly summarized as follows:

- $1,876,401 increase in community development expenditures
- $1,827,513 increase in capital project expenditures
- $768,669 increase in health and welfare expenditures
- $293,064 increase in public safety expenditures
- $286,342 increase in education expenditures
- $256,553 increase in debt service expenditures
- $13,172 net decrease in various other expenditures

During the year, budgetary estimates exceeded revenues and other financing sources by $1,454,566 and expenditures and other financing uses were less than budgetary estimates by $4,675,664, resulting in a positive variance of $3,221,098.

Capital Asset and Debt Administration

- Capital assets - The County's investment in capital assets for its governmental operations as of June 30, 2010 amounts to $35,336,079 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment and utility plant.

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 bonded debt outstanding of $8,308,578. Of this amount, $8,308,578 comprises debt backed by the full faith and credit of the County. The remainder, if any, of the County's debt represents bonds secured solely by specified revenue sources (i.e., lease/revenue notes).

During the current fiscal year, the County's total debt decreased by $1,389,421.

Additional information on the County of Nottoway, Virginia's long-term debt can be found in Note 6 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the County was 8.6 percent compared to the state's average unemployment rate of 7.1 percent.

- Inflationary trends in the region compare to national indices.

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

The fiscal year 2011 budget decreased by approximately 7 percent. The County's tax rates remained the same.

Requests for Information

This financial report is designed to provide a general overview of the County of Nottoway, 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, 328 West Court House Road, Nottoway, Virginia 23955.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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Exhibit 1

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

	Primary Government Governmental Activities	Component Units School Board	Component Units IDA
ASSETS			
Cash and cash equivalents	$ 12,227,030	$ 3,038,467	$ 185,785
Receivables (net of allowance for uncollectibles):			
Taxes receivable	518,195	-	-
Accounts receivable	60,829	-	-
Due from other governmental units	2,811,064	593,648	-
Prepaid expenses	-	633,126	-
Other assets:			
Notes receivable	-	-	2,325,765
Capital assets (net of accumulated depreciation):			
Land	18,387,651	88,670	-
Buildings and improvements	7,900,861	-	-
Equipment and vehicles	625,971	1,772,217	-
Jointly owned assets	8,421,596	12,038,875	-
Total assets	$ 50,953,197	$ 18,165,003	$ 2,511,550
LIABILITIES			
Accounts payable	$ 115,829	$ 105,166	$ -
Accrued liabilities	-	1,049,454	-
Accrued interest payable	153,657	-	-
Due to other governmental units	-	2,312,018	-
Unearned revenue	18,538	-	-
Long-term liabilities:			
Due within one year	2,573,836	111,245	902,285
Due in more than one year	8,607,458	493,938	-
Total liabilities	$ 11,469,318	$ 4,071,821	$ 902,285
NET ASSETS			
Invested in capital assets, net of related debt	$ 26,914,483	$ 13,899,762	$ -
Unrestricted (deficit)	12,569,396	193,420	1,609,265
Total net assets	$ 39,483,879	$ 14,093,182	$ 1,609,265

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

Exhibit 2

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Component Units: School Board	Net (Expense) Revenue and Changes in Net Assets: Component Units: IDA
PRIMARY GOVERNMENT:							
Governmental activities:							
General government administration	$ 1,030,374	$ -	$ 180,441	$ -	$ (849,933)	$ -	$ -
Judicial administration	734,255	58,831	380,737	-	(294,687)	-	-
Public safety	1,985,731	90,334	1,146,229	30,600	(718,568)	-	-
Public works	1,211,446	373,022	2,198	-	(836,226)	-	-
Health and welfare	2,719,493	-	1,947,323	-	(772,170)	-	-
Education	4,271,797	-	-	-	(4,271,797)	-	-
Parks, recreation, and cultural	332,705	-	41,260	-	(291,445)	-	-
Community development	1,192,922	4,361	-	211,557	(977,004)	-	-
Interest on long-term debt	267,481	-	-	-	(267,481)	-	-
Total government activities	$ 13,746,204	$ 526,548	$ 3,698,188	$ 242,157	$ (9,279,311)	$ -	$ -
COMPONENT UNITS:							
School Board	$ 23,349,686	$ 293,909	$ 18,988,229	$ -	$ -	$ (4,067,548)	$ -
Industrial Development Authority	133,259	194,459	-	-	-	-	61,200
Total component units	$ 23,482,945	$ 488,368	$ 18,988,229	$ -	$ -	$ (4,067,548)	$ 61,200
General revenues:							
General property taxes					$ 6,143,978	$ -	$ -
Local sales and use taxes					888,316	-	-
Consumer utility taxes					148,332	-	-
Business licenses					157,682		
Motor vehicle licenses					153,266	-	-
Other local taxes					77,869	-	-
Unrestricted revenues from use of money and property					825,800	5,338	22,554
Miscellaneous					121,783	182,389	-
Grants and contributions not restricted to specific programs					1,470,004	-	-
Payment from Nottoway County					-	4,284,526	-
Gain on disposal of capital assets					258,158	-	-
Total general revenues					$ 10,245,188	$ 4,472,253	$ 22,554
Change in net assets					965,877	404,705	83,754
Net assets - beginning					38,518,002	13,688,477	1,525,511
Net assets - ending					$ 39,483,879	$ 14,093,182	$ 1,609,265

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

FUND FINANCIAL STATEMENTS

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Exhibit 3

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

	General	Landfill	Other Governmental Funds	Total
ASSETS				
Cash and cash equivalents	$ 11,525,707	$ 224,140	$ 477,183	$ 12,227,030
Receivables (net of allowance for uncollectibles):				
Taxes receivable	518,195	-	-	518,195
Accounts receivable	8,893	29,703	22,233	60,829
Due from other governmental units	2,765,027	46,037	-	2,811,064
Total assets	$ 14,817,822	$ 299,880	$ 499,416	$ 15,617,118
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 109,660	$ 6,169	$ -	$ 115,829
Deferred revenue	488,942	-	-	488,942
Total liabilities	$ 598,602	$ 6,169	$ -	$ 604,771
Fund balances:				
Unreserved:				
Designated for:				
Encumbrances	$ 329,374	$ 32,847	-	$ 362,221
Capital improvements	1,041,329	-	-	1,041,329
Data processing	7,949	-	-	7,949
Small business incubator	11,442	-	-	11,442
Community Development	232,550	-	-	232,550
Wireless equipment	-	-	32,099	32,099
Sheriff	646	-	-	646
Building and grounds	-	60,328	-	60,328
Dog pound construction and repairs	12,012	-	-	12,012
Law library	7,513	-	-	7,513
Undesignated, reported in:				
Special revenue funds	-	200,536	467,317	667,853
Unrestricted (deficit)	12,576,405	-	-	12,576,405
Total fund balances	$ 14,219,220	$ 293,711	$ 499,416	$ 15,012,347
Total liabilities and fund balances	$ 14,817,822	$ 299,880	$ 499,416	$ 15,617,118

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

Exhibit 4

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

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds		$ 15,012,347
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		35,336,079
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		470,404
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:		
General obligation bonds	$(3,214,393)	
Note payable	(2,000,000)	
State literary loans	(3,207,203)	
Landfill closure liability	(2,574,688)	
Compensated absences	(185,010)	
Accrued interest payable	(153,657)	(11,334,951)
Net assets of governmental activities		$ 39,483,879

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

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

	General	Landfill	Other Governmental Funds	Total
REVENUES				
General property taxes	$ 5,950,546	$ -	$ -	$ 5,950,546
Other local taxes	1,250,213	174,352	900	1,425,465
Permits, privilege fees, and regulatory licenses	88,505	-	-	88,505
Fines and forfeitures	17,068	-	-	17,068
Revenue from the use of money and property	825,800	-	-	825,800
Charges for services	47,953	373,022	-	420,975
Miscellaneous	121,783	-	-	121,783
Recovered costs	107,158	-	-	107,158
Intergovernmental revenues:				
Commonwealth	3,554,207	273,333	282,296	4,109,836
Federal	1,300,513	-	-	1,300,513
Total revenues	$ 13,263,746	$ 820,707	$ 283,196	$ 14,367,649
EXPENDITURES				
Current:				
General government administration	$ 1,038,838	$ -	$ -	$ 1,038,838
Judicial administration	658,721	-	-	658,721
Public safety	1,876,977	-	80,053	1,957,030
Public works	234,179	1,764,539	-	1,998,718
Health and welfare	2,666,628	-	-	2,666,628
Education	2,699,910	-	-	2,699,910
Parks, recreation, and cultural	243,572	-	-	243,572
Community development	2,332,406	-	-	2,332,406
Capital projects	1,384,589	-	-	1,384,589
Debt service:				
Principal retirement	552,029	-	-	552,029
Interest and other fiscal charges	278,800	-	-	278,800
Total expenditures	$ 13,966,649	$ 1,764,539	$ 80,053	$ 15,811,241
Excess (deficiency) of revenues over (under) expenditures	$ (702,903)	$ (943,832)	$ 203,143	$ (1,443,592)
OTHER FINANCING SOURCES (USES)				
Fire loss-LRA	$ 258,158	$ -	$ -	$ 258,158
Total other financing sources (uses)	$ 258,158	$ -	$ -	$ 258,158
Net change in fund balances	$ (444,745)	$ (943,832)	$ 203,143	$ (1,185,434)
Fund balances - beginning, as restated	14,663,965	1,237,543	296,273	16,197,781
Fund balances - ending	$ 14,219,220	$ 293,711	$ 499,416	$ 15,012,347

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

Exhibit 6

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

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ (1,185,434)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period. The following is a summary of items supporting this adjustment:		
Capital outlays	$ 1,188,180	
Depreciation expense	(624,762)	563,418
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		193,432
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. The following is a summary of items supporting this adjustment:		
Principal retirement on general obligation bonds	$ 146,825	
Principal retirement on state literary loan	405,204	
Premium on issuance of general obligation bond	6,279	
Decrease of landfill closure liability	820,414	1,378,722
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. The following is a summary of items supporting this adjustment:		
Decrease in compensated absences	$ 10,699	
Decrease in interest payable	5,040	15,739
Change in net assets of governmental activities		$ 965,877

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

Exhibit 7

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

		Agency Fund
ASSETS		
Cash and cash equivalents	$	13,159
Total assets	$	13,159
LIABILITIES		
Amounts held for social services clients	$	13,159
Total liabilities	$	13,159

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

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NOTES TO THE FINANCIAL STATEMENTS

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Note 1—Summary of Significant Accounting Policies:

The County of Nottoway, 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 services; recreational activities; cultural events; education; and social services.

The financial statements of the County of Nottoway, 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 units. 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.

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 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 Nottoway (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, 2010.

Discretely Presented Component Units. The School Board members are elected by the citizens of Nottoway 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 Board does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2010.

The Industrial Development Authority of Nottoway County is responsible for industrial and commercial development in the County. The Authority consists of members that are appointed by the Board of Supervisors. The Authority is fiscally dependent on the County, and therefore, it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2010. The Industrial Development Authority of Nottoway County 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.

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

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

Governmental Funds

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

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

Special Revenue Funds: Special Revenue Funds account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. Special revenue funds consist of the following major funds: Landfill and the following non major funds: E-911 and DARE.

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

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 for the primary government, as well as for its component units, 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.

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 $407,446 at June 30, 2010 and is comprised solely of property taxes.

Real and Personal Property Tax Data:

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

	Real Property	Personal Property
Levy	January 1	January 1
Due Date	December 5	December 5
Lien Date	January 1	January 1

The County bills and collects its own property taxes.

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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 at 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.

Assets	Years
Buildings and Improvements	35-45
Motor vehicles	5-10
Equipment	2-15

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 general 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

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

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.

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

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 fund at June 30, 2010:

Textbook Fund	$152,357

Note 3—Deposits and Investments:

Deposits

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

Investments

Statutes authorize the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP). The County had no investments at June 30, 2010.

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COUNTY OF NOTTOWAY, VIRGINIA

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

Note 4—Due to/from Other Governments:

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

	Primary Government	Component Unit School Board
Other Local Governments:		
County of Nottoway School Board	$ 2,312,018	$ -
Judge's office - Powhatan and Amelia	23,560	-
Piedmont SWCD	8,250	-
Commonwealth of Virginia:		
Local sales tax	161,810	-
Shared expenses	115,478	-
Recordation tax	3,765	-
Rolling stock tax	143	-
VPA funds	41,194	-
State sales Tax	-	359,450
Mobile home titling tax	10,890	-
Communications tax	46,037	-
State police - gasoline purchased	4,345	-
Law enforcement block grant	2,444	-
Federal Government:		
School fund grants	-	234,198
CDBG	15,980	-
VPA funds	65,150	-
Total due from other governments	$ 2,811,064	$ 593,648

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

Other Local Governments:		
County of Nottoway	$ -	$ 2,312,018

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 5—Capital Assets:

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

Primary Government:	Balance July 1, 2009	Increases	Decreases	Balance June 30, 2010
Governmental activities:				
Capital assets not subject to depreciation:				
Land	$ 18,383,651	$ 4,000	$ -	$ 18,387,651
Total capital assets not subject to depreciation	$ 18,383,651	$ 4,000	$ -	$ 18,387,651
Capital assets subject to depreciation:				
Buildings and improvements	$ 8,310,830	$ 1,500,423	$ -	$ 9,811,253
Equipment and vehicles	2,163,729	70,935	31,273	2,203,391
Jointly owned assets	13,535,703	1,030,228	1,417,406	13,148,525
Total capital assets being depreciated	$ 24,010,262	$ 2,601,586	$ 1,448,679	$ 25,163,169
Less accumulated depreciation for:				
Buildings and improvements	$ 1,660,831	$ 249,561	$ -	$ 1,910,392
Equipment and vehicles	1,404,622	204,071	31,273	1,577,420
Jointly owned assets	4,555,799	472,486	301,356	4,726,929
Total accumulated depreciation	$ 7,621,252	$ 926,118	$ 332,629	$ 8,214,741
Total capital assets being depreciated, net	$ 16,389,010	$ 1,675,468	$ 1,116,050	$ 16,948,428
Governmental capital assets, net	$ 34,772,661	$ 1,679,468	$ 1,116,050	$ 35,336,079

Component Unit - School Board:	Balance July 1, 2009	Increases	Decreases	Balance June 30, 2010
Capital assets not subject to depreciation:				
Land	$ 88,670	$ -	$ -	$ 88,670
Total capital assets not subject to depreciation	$ 88,670	$ -	$ -	$ 88,670
Capital assets subject to depreciation:				
Equipment and vehicles	$ 4,470,985	$ 187,958	$ -	$ 4,658,943
Jointly owned assets	17,378,729	1,417,406	-	18,796,135
Total capital assets being depreciated	$ 21,849,714	$ 1,605,364	$ -	$ 23,455,078
Less accumulated depreciation for:				
Equipment and vehicles	$ 2,576,280	$ 310,446	$	$ 2,886,726
Jointly owned assets	5,849,271	606,633	(301,356)	6,757,260
Total accumulated depreciation	$ 8,425,551	$ 917,079	$ (301,356)	$ 9,643,986
Total capital assets being depreciated, net	$ 13,424,163	$ 688,285	$ 301,356	$ 13,811,092
Governmental capital assets, net	$ 13,512,833	$ 688,285	$ 301,356	$ 13,899,762

Note 5—Capital Assets: (Continued)

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

Governmental activities:

General government administration	$	30,705
Judicial administration		111,740
Public safety		127,023
Public works		35,354
Health and welfare		44,928
Education		472,486
Parks, recreation and cultural		93,258
Community development		10,624
Total Governmental activities	$	926,118
Component Unit School Board	$	917,079

Note 6—Long-Term Obligations:

Primary Government:

The following is a summary of changes in long-term obligations for the fiscal year ended June 30, 2010:

	Amounts Payable at July 1, 2009	Increases	Decreases	Amounts Payable at June 30, 2010	Amounts Due Within One Year
Governmental Obligations:					
Incurred by County:					
Compensated absences payable	$ 195,709	$ 12,108	$ 22,807	$ 185,010	$ 18,501
Landfill closure liability	3,395,102	-	820,414	2,574,688	-
Total incurred by County	$ 3,590,811	$ 12,108	$ 843,221	$ 2,759,698	$ 18,501
Incurred by School Board:					
State Literary Fund Loans payable	$ 3,612,407	$ -	$ 405,204	$ 3,207,203	$ 405,204
Bond anticipation note	2,000,000	-	-	2,000,000	2,000,000
General Obligation Bonds payable	3,248,200	-	146,825	3,101,375	150,131
Add deferred amounts for: issuance premium	119,297	-	6,279	113,018	-
Total incurred by School Board	$ 8,979,904	$ -	$ 558,308	$ 8,421,596	$ 2,555,335
Total Governmental Obligations	$ 12,570,715	$ 12,108	$ 1,401,529	$ 11,181,294	$ 2,573,836

Note 6—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		Bond Anticipation Note		Literary Fund Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	$ 150,131	$ 151,106	$ 2,000,000	$ 53,000	$ 405,204	$ 64,144
2012	153,475	143,229	-	-	405,204	56,040
2013	156,858	135,315	-	-	405,204	47,936
2014	160,418	127,226	-	-	405,204	39,832
2015	164,164	118,949	-	-	405,204	31,728
2016	168,106	120,475	-	-	405,204	18,623
2017	172,254	101,796	-	-	155,204	15,520
2018	176,619	92,901	-	-	155,204	12,415
2019	181,213	83,766	-	-	155,204	9,311
2020	186,048	74,410	-	-	155,204	6,207
2021	190,783	65,146	-	-	155,163	3,103
2022	195,448	55,949	-	-	-	-
2023	200,034	46,831	-	-	-	-
2024	204,988	37,347	-	-	-	-
2025	210,683	27,121	-	-	-	-
2026	139,109	18,391	-	-	-	-
2027	143,311	11,189	-	-	-	-
2028	147,733	3,767	-	-	-	-
Total	$ 3,101,375	$ 1,414,914	$ 2,000,000	$ 53,000	$ 3,207,203	$ 304,859

Note 6—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of long-term obligations are as follows:

Governmental Obligations:

Incurred by County:	
Landfill closure liability	$ 2,574,688
Compensated absences liability (Payable from the General Fund)	$ 185,010
Total Incurred by County	$ 2,759,698
Incurred by School Board:	
General Obligation Bonds Payable:	
$1,204,354 general obligation bond, issued November 10, 2004, due in varying installments of principal and interest through January 15, 2025, interest payable semi-annually at varying rates.	$ 959,637
$2,324,114 general obligation bond, issued November 1, 2007, due in varying installments of principal and interest through July 15, 2027, interest payable semi-annually at 5.10%.	2,141,738
Issuance premium	113,018
Total General Obligation Bonds	$ 3,214,393
Bond Anticipation Notes:	
$2,000,000 Bond Anticipation Note issued March 1, 2009; due in one lump principal payment in 2011, interest payable semi-annually at varying rates.	$ 2,000,000
State Literary Fund Loans:	
$1,439,954 State Literary Fund Loan issued April 15, 2000; due in annual principal installments of $72,000 through 2020; interest payable annually at 2%	$ 791,954
$1,664,085 State Literary Fund Loan issued August 15, 2000, due in annual principal installments of $83,204 through 2020; interest payable annually at 2%	915,249
$2,500,000 State Literary Fund Loan issued May 1996, due in annual principal installments of $125,000 through 2016; interest payable annually at 2%	750,000
$2,500,000 State Literary Fund Loan issued May, 1996, due in annual principal installments of $125,000 through 2016; interest payable annually at 2%	750,000
Total State Literary Fund Loans	$ 3,207,203
Total Incurred by School Board	$ 8,421,596
Total Governmental Obligations	$ 11,181,294

Note 6—Long-Term Obligations: (Continued)

Component Unit - School Board:

The following is a summary of changes in long-term obligations for the fiscal year ended June 30, 2010:

	Amounts Payable at July 1, 2009	Increases	Decreases	Amounts Payable at June 30, 2010	Amounts Due Within One Year
Governmental Obligations :					
Incurred by School Board:					
Compensated absences payable	$ 152,228	$ -	$ 12,108	$ 140,120	$ 14,454
OPEB liability	-	82,329	53,240	29,089	-
Early retirement liability	525,499	-	89,525	435,974	96,791
Total Governmental Obligations	$ 677,727	$ 82,329	$ 154,873	$ 605,183	$ 111,245

Details of long-term obligations are as follows:

Early Retirement liability, issued July 1, 1994 at 8% over 20 years	$ 435,974
OPEB liability	$ 29,089
Compensated absences liability (Payable from the School Fund)	$ 140,120
Total governmental obligations	$ 605,183

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

Year Ending June 30	Early Retirement Liability Payable: Principal	Early Retirement Liability Payable: Interest
2011	$ 96,791	$ 34,824
2012	104,479	27,136
2013	112,839	18,776
2014	121,865	9,750
Total	$ 435,974	$ 90,486

Note 6—Long-Term Obligations: (Continued)

Component Unit Industrial Development Authority:

The following is a summary of changes in long-term obligations for the fiscal year ended June 30, 2010:

	Amounts Payable at July 1, 2009	Increases	Decreases	Amounts Payable at June 30, 2010	Amounts Due Within One Year
Notes Payable	$ 1,539,671	$ -	$ 637,386	$ 902,285	$ 902,285

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

Year Ending June 30	Notes Payable Principal	Notes Payable Interest
2011	$ 902,285	$ 418,811
Total	$ 902,285	$ 418,811

Details of long-term obligations are as follows:

Notes Payable:

$900,701 deed of trust note payable, issued June 2, 2006 due in monthly installments of $7,243 including principal and interest at 5.25% through April 2011. Final principal payment of $683,191 due May 2011.	$ 736,733
$200,000 deed of trust note payable, issued December 5, 2005 due in monthly installments of $1,494 including principal and interest at 4.15% through November 2010. Final principal payment of $152,503 due December 2010.	165,552
Total Notes payable	$ 902,285

Note 7—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 $488,942 is comprised of the following:

Deferred Property Tax Revenue - Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled $470,404 at June 30, 2010.

Prepaid Property Taxes - Property taxes due subsequent to June 30, 2010 but paid in advance by the taxpayers totaled $18,538 at June 30, 2010.

Note 8—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.

Note 9—Litigation:

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

Note 10—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 and the School Board are members 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.

Note 10—Risk Management: (Continued)

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

Note 11—Defined Benefit Pension Plan:

Primary Government and Discretely Presented Component Unit School Board:

A. Plan Description

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

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

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

Note 11—Defined Benefit Pension Plan (Continued):

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

B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their annual salary to the VRS. This 5.00% member contribution may be assumed by the employer. In addition, the County and School Board are required to contribute the remaining amounts necessary to fund their participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County's and School Board's non-professional contribution rates for the fiscal year ended 2010 was 7.78% and 6.03% of annual covered payroll, respectively.

The Nottoway County School Board professional employees rate was 8.81% from July 2009 through March 2010 and zero (0.00%) from April 2010 through June 2010. The professional employees rate was 8.81%, and 10.30% of annual covered payroll the years ending June 30, 2009 and 2008, respectively. The contribution requirements of plan members and Nottoway County School Board are established and may be amended by the VRS Board of Trustees. The School Board's contributions to VRS for the years ending June 30, 2010, 2009, and 2008 were $698,954, $999,566 and $1,088,574, respectively, and equal to the required contributions for each year.

C. Annual Pension Cost

For the fiscal year 2010, the County's annual pension cost of $238,025 (which does not include the portion of the employee share assumed by the County which was $152,973) was equal to the County's required and actual contributions.

For the fiscal year 2010, the County School Board's annual pension cost for the Board's non-professional employees was $67,961 (which does not include the portion of the employees share assumed by the County which was $56,353) which was equal to the Board's required and actual contributions.

Three Year Trend Information

Fiscal Year Ending		Annual Pension Cost (APC) (1)	Percentage of APC Contributed		Net Pension Obligation
County:					
June 30, 2010	$	238,025	100%	$	-
June 30, 2009		241,385	100%		-
June 30, 2008		131,047	100%		-
School Board:					
Non-Professional:					
June 30, 2010	$	67,961	100%	$	-
June 30, 2009		70,767	100%		-
June 30, 2008		85,146	100%		-

(1) Employer portion only

Note 11—Defined Benefit Pension Plan (Continued):

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

C. Annual Pension Cost (continued)

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

D. Funded Status and Funding Progress:

As of June 30, 2009, the most recent actuarial valuation date, the plan was 91.32% funded. The actuarial accrued liability for benefits was $11,924,799 and the actuarial value of assets was $10,890,168, resulting in an unfunded actuarial accrued liability (UAAL) of $1,034,631. The covered payroll (annual payroll of active employees covered by the plan) was $3,148,349, and ratio of the UAAL to covered payroll was 32.86%.

As of June 30, 2009, the most recent actuarial valuation date, the School Board's Non-Professions plan was 91.00% funded. The actuarial accrued liability for benefits was $4,728,249 and the actuarial value of assets was $4,302,604, resulting in an unfunded actuarial accrued liability (UAAL) of $425,645. The covered payroll (annual payroll of active employees covered by the plan) was $1,166,326 and ratio of the UAAL to the covered payroll was 36.49%.

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.

Note 12–Surety Bonds:

	Amount
Commonwealth of Virginia, Department of General Services, Division of Risk Management-Surety	
Jane L. Brown, Clerk of the Circuit Court	$ 500,000
Barbara L. Senger, Treasurer	400,000
Irving J. Arnold, Commissioner of the Revenue	3,000
Larry J. Parrish, Sheriff	30,000
United States Fidelity and Guaranty Company - Surety	
Jack J. Green, Chairperson	2,500
Sherman C. Vaughn, Vice-Chairperson	2,500
Clarence A. Simpson, Supervisor	2,500
Steve Bowen, Supervisor	2,500
Gary Simmons, Supervisor	2,500
Ronald E. Roark, County Administrator	5,000
Utica Mutual Insurance - Surety	
Clerk of the School Board	15,000
Deputy Clerk of School Board	15,000
Payroll Clerk	15,000
Great American Insurance Company - Surety	
All Social Services Employees - Blanket Bond	100,000

Note 13–Jointly Governed Organizations:

The County in conjunction with other localities, has created the Piedmont Regional Jail , the Piedmont Juvenile Detention Center, the Amelia-Nottoway Vocational Center and the Crossroads Community Services Board. The governing bodies of these organizations are appointed by the respective governing bodies of the participating jurisdiction. During the year, the County contributed $43,700 to the operations of the Crossroads Community Services Board.

Note 14–Landfill Closure and Postclosure Care Cost:

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The $2,574,688 reported as landfill closure and postclosure care liability at June 30, 2010, represents the cumulative amount reported based on the use of 53% of the estimated capacity of the landfill with the total amount of $4,857,902 to be recognized over the landfill's remaining life (20 years). These amounts are based on what it would cost to perform all closure and postclosure care in 2010. Actual cost may be higher due to inflation, changes in the technology, or changes in regulation. The County intends to fund these costs from tipping fee revenues and from any funds accumulated for this purpose in the Landfill Fund.

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

Note 15–Lease-Purchase/Notes Receivable:

On June 1, 1998, the Industrial Development Authority entered into a lease-purchase agreement with Hudson Industries Plant to sell a shell building and improvements. The agreement called for monthly installments of principal and interest of $5,697 for 20 years to be received by the Industrial Development Authority. The interest rate is 4.344%, and the total amount financed was $883,329. At June 30, 2010, the balance of the lease purchase receivable was $465,354.

On May 15, 2001, the Industrial Development Authority entered into a lease-purchase agreement with Colonial Forest Products to sell a shell building. The agreement called for monthly installments of principal and interest of $7,567 for 20 years to be received by the Industrial Development Authority . The interest rate is 5.5%, and the total amount financed was $1,100,000. At June 30, 2010, the balance of the lease-purchase receivable was $760,723.

On February 25, 2000, the Industrial Development Authority entered into a lease-purchase agreement with Trout River Plant to sell a shell building. The agreement called for monthly installments of principal and interest of $6,060 for 20 years to be received by the Industrial Development Authority. The interest rate is 5.24% and the total amount financed was $900,000. At June 30, 2010, the balance of the lease-purchase receivable was $596,670.

On June 5, 2002, the Industrial Development Authority entered into a lease-purchase agreement with Trout River Plant to sell a storage building. The agreement called for monthly installments of principal and interest of $1,900 for 15 years to be received by the Industrial Development Authority. The interest rate is 6.10% and the total amount financed is $223,720. At June 30, 2010, the balance of the lease-purchase receivable was $147,513.

On February 18, 2005, the Industrial Development Authority entered into a lease-purchase agreement with Trout River Plant. The agreement called for monthly installments of principal and interest of $3,344 for 15 years to be received by the Industrial Development Authority. The total amount financed is $440,000. At June 30, 2010, the balance of the lease-purchase receivable was $355,505.

Note 16–Restatement of Beginning Fund Balances:

The following adjustments were made to beginning fund balances:

	General Fund	Landfill Fund
Fund balances as previously reported	$ 14,520,104	$ 1,381,404
Adjustment for the elimination of an inter fund receivable/payable	143,861	(143,861)
Fund balances, as restated	$ 14,663,965	$ 1,237,543

Note 17-Other Post-Employment Benefits (OPEB):

A. Plan Description

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

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

Benefit provisions and eligibility requirements are established by Title 51.1, Chapter 14 of the Code of Virginia. The VRS actuarially determines the amount necessary to fund all credits provided, reflects the cost of such credits in the applicable employer contribution rate pursuant to §51.1-145, and prescribes such terms and conditions as are necessary to carry out the provisions of the health insurance credit program. VRS issues separate financial statements as previously discussed in Note 11.

B. Funding Policy

The School Board is required to contribute, at an actuarially determined rate, the entire amount necessary to fund participation in the program. The current rate is 1.04% of annual covered payroll. The School Board's contributions to VRS for the years ended June 30, 2010, 2009, and 2008 were $82,937, $122,535, and $121,047, respectively and equaled the required contributions for each year.

Note 18-Post-Employment Benefits Other Than Pensions:

Beginning in fiscal year 2010, the School Board implemented Governmental Accounting Standards Board (GASB) Statement No. 45 for other post-employment benefits (OPEB) offered to retirees. The standard addresses how local governments should account for and report their costs related to post-employment health care and other non-pension benefits, such as the School Board retiree health benefit subsidy. Historically, the School Board subsidy was funded on a pay-as-you-go basis, but GASB Statement No. 45 requires that the School Board accrue the cost of the retiree health subsidy and other post-employment benefits during the period of the employees' active employment, while the benefits are being earned, and disclose the unfunded actuarial accrued liability in order to accurately account for the total future cost of post-employment benefits and the financial impact on the School Board. This funding methodology mirrors the funding approach used for pension benefits.

Note 18-Post-Employment Benefits Other Than Pensions: (Continued)

Plan Description

Nottoway County Public Schools retirees must meet one of the following requirements to be eligible for health benefits.

- retire with years of service and years of participation in the school's health plan is greater or equal to 20.
- has medical coverage prior to retirement.

The retirees are responsible for 100% of the premiums. Benefits end at the age of 65.

Funding Policy

The School Board's retirees pay 100% of the premiums. The Schools currently have 14 retirees on their plan.

Annual OPEB Cost and Net OPEB Obligation

The School Board's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*. The School Board has elected to calculate the ARC as the normal cost plus amortization of the unfunded portion of actuarial accrued liability in compliance with GASB 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.

Annual OPEB Cost and Net OPEB Obligation (Continued)

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 School Board. The following table shows the components of the School Board's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the School Board's net OPEB obligation to the Retiree Health Plan:

		SCHOOLS
Annual required contribution	$	82,329
Interest on net OPEB obligation		-
Adjustment to annual required contribution		-
Annual OPEB cost (expense)	$	82,329
Estimated Contributions made		(53,240)
Increase in net OPEB obligation	$	29,089
Net OPEB obligation-beginning of year		-
Net OPEB obligation-end of year	$	29,089

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

Fiscal Year Ended		Annual OPEB	Percentage of Annual OPEB Cost Contributed		Net OPEB Obligation
Schools:					
6/30/2010	$	82,329	64.67%	$	29,089

Note 18-Post-Employment Benefits Other Than Pensions: (Continued)

Funded Status and Funding Progress

As of June 30, 2010 the School Board's actuarial accrued liability for benefits was $872,423, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was $12,232,094, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 7.13 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.

Cost Method

In the July 1, 2009 actuarial valuation, the projected unit credit method, with linear pro-ration to assumed benefit commencement was used. The unfunded liability is amortized over 30 years a level percentage of pay.

The following simplifying assumptions were made:

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

Mortality-Life expectancies were based on mortality tables from the 1994 Group Annuity mortality tables for males and females.

Coverage elections -The actuary assumed that 30% of eligible retirees who qualify will elect coverage.

Based on the historical and expected returns of the School Board's short-term investment portfolio, a discount of 4.0% 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.

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REQUIRED SUPPLEMENTARY INFORMATION

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION:

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

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Exhibit 8

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

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
General property taxes	$ 5,421,797	$ 5,561,797	$ 5,950,546	$ 388,749
Other local taxes	1,319,200	1,319,200	1,250,213	(68,987)
Permits, privilege fees, and regulatory licenses	58,180	58,180	88,505	30,325
Fines and forfeitures	6,000	6,000	17,068	11,068
Revenue from the use of money and property	698,470	698,470	825,800	127,330
Charges for services	26,892	53,678	47,953	(5,725)
Miscellaneous	206,248	1,563,574	121,783	(1,441,791)
Recovered costs	68,367	68,367	107,158	38,791
Intergovernmental revenues:				
Commonwealth	4,651,711	5,381,696	3,554,207	(1,827,489)
Federal	-	7,350	1,300,513	1,293,163
Total revenues	$ 12,456,865	$ 14,718,312	$ 13,263,746	$ (1,454,566)
EXPENDITURES				
Current:				
General government administration	$ 1,622,517	$ 1,493,037	$ 1,038,838	$ 454,199
Judicial administration	697,415	734,028	658,721	75,307
Public safety	1,957,802	2,250,866	1,876,977	373,889
Public works	259,517	264,378	234,179	30,199
Health and welfare	2,528,601	3,297,270	2,666,628	630,642
Education	4,036,438	4,322,780	2,699,910	1,622,870
Parks, recreation, and cultural	190,003	264,837	243,572	21,265
Community development	922,494	2,798,895	2,332,406	466,489
Capital projects	396,202	2,223,715	1,384,589	839,126
Debt service:				
Principal retirement	555,204	655,116	552,029	103,087
Interest and other fiscal charges	180,750	337,391	278,800	58,591
Total expenditures	$ 13,346,943	$ 18,642,313	$ 13,966,649	$ 4,675,664
Excess (deficiency) of revenues over (under) expenditures	$ (890,078)	$ (3,924,001)	$ (702,903)	$ 3,221,098
OTHER FINANCING SOURCES (USES)				
Fire loss recovery	$ -	$ 258,158	$ 258,158	$ -
Total other financing sources and uses	$ -	$ 258,158	$ 258,158	$ -
Net change in fund balances	$ (890,078)	$ (3,665,843)	$ (444,745)	$ 3,221,098
Fund balances - beginning balance, as restated	890,078	3,665,843	14,663,965	10,998,122
Fund balances - ending	$ -	$ -	$ 14,219,220	$ 14,219,220

Exhibit 9

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

	Landfill Fund			
	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Other local taxes	$ 189,255	$ 189,255	$ 174,352	$ (14,903)
Charges for services	395,830	395,830	373,022	(22,808)
Intergovernmental revenues:				
Commonwealth	284,300	284,300	273,333	(10,967)
Total revenues	$ 869,385	$ 869,385	$ 820,707	$ (48,678)
EXPENDITURES				
Current:				
Public works	$ 1,451,667	$ 1,899,586	$ 1,764,539	$ 135,047
Total expenditures	$ 1,451,667	$ 1,899,586	$ 1,764,539	$ 135,047
Excess (deficiency) of revenues over (under) expenditures	$ (582,282)	$ (1,030,201)	$ (943,832)	$ 86,369
Net change in fund balances	$ (582,282)	$ (1,030,201)	$ (943,832)	$ 86,369
Fund balances - beginning balance, as restated	582,282	1,030,201	1,237,543	207,342
Fund balances - ending	$ -	$ -	$ 293,711	$ 293,711

Exhibit 10

County of Nottoway, Virginia

Schedule of Pension Funding Progress

For the Year Ended June 30, 2010

Valuation Date (1)		Actuarial Value of Assets (AVA) (2)		Actuarial Accrued Liability (AAL) (3)		Unfunded (Excess Funded) Actuarial Accrued Liability (UAAL) (3-2) (4)	Funded Ratio (2)/(3) (5)		Annual Covered Payroll (6)	UAAL as % of Payroll (4)/(6) (7)
County:										
6/30/2009	$	10,890,168	$	11,924,799	$	1,034,631	91.32%	$	3,148,349	32.86%
6/30/2008		10,586,780		11,264,205		677,425	93.99%		2,942,340	23.02%
6/30/2007		9,574,377		10,102,698		528,321	94.77%		2,798,719	18.88%
6/30/2006		8,489,219		9,304,738		815,519	91.24%		2,623,258	31.09%
6/30/2005		7,971,700		8,680,164		708,464	91.84%		2,379,574	29.77%
6/30/2004		7,712,013		7,339,235		(372,778)	105.08%		2,277,421	-16.37%
6/30/2003		7,554,053		6,752,348		(801,705)	111.87%		2,234,052	-35.89%
6/30/2002		7,387,510		6,265,536		(1,121,974)	117.91%		2,248,001	-49.91%
6/30/2001		7,123,237		5,968,816		(1,154,421)	119.34%		2,184,077	-52.86%
6/30/2000		6,407,271		5,424,235		(983,036)	118.12%		1,987,367	-49.46%
School Board Non-Professionals:										
6/30/2009	$	4,302,604	$	4,728,249	$	425,645	91.00%	$	1,166,326	36.49%
6/30/2008		4,307,256		4,543,896		236,640	94.79%		1,106,182	21.39%
6/30/2007		4,019,545		4,324,245		304,700	92.95%		1,133,856	26.87%
6/30/2006		3,450,173		3,917,270		467,097	88.08%		1,085,719	43.02%
6/30/2005		3,207,861		3,684,206		476,345	87.07%		1,050,934	45.33%
6/30/2004		3,086,522		3,172,098		85,576	97.30%		969,813	8.82%
6/30/2003		3,057,916		3,072,281		14,365	99.53%		966,975	1.49%
6/30/2002		3,031,237		2,814,363		(216,874)	107.71%		962,212	-22.54%
6/30/2001		2,908,812		2,613,928		(294,884)	111.28%		960,947	-30.69%
6/30/2000		2,618,275		2,432,110		(186,165)	107.65%		894,509	-20.81%

Exhibit 11

County of Nottoway, Virginia

Schedule of Funding Progress - Retiree Healthcare Plan

For the Year Ended June 30, 2010

Valuation Date (1)	Actuarial Value of Assets (AVA) (2)	Actuarial Accrued Liability (AAL) (3)	Unfunded (Excess Funded) Actuarial Accrued Liability (UAAL) (3-2) (4)	Funded Ratio (2)/(3) (5)	Annual Covered Payroll (6)	UAAL as % of Payroll (4)/(6) (7)
School Board:						
7/1/2009	$ -	$ 872,423	$ 872,423	0.00%	$ 12,232,094	7.13%

OTHER SUPPLEMENTARY INFORMATION

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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Exhibit 12

County of Nottoway, Virginia
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2010

	E-911 Fund	Dare Fund	Total
ASSETS			
Cash and cash equivalents	$ 476,841	$ 342	$ 477,183
Receivables (net of allowance for uncollectibles):			
Accounts receivable	22,233	-	22,233
Total assets	$ 499,074	$ 342	$ 499,416
LIABILITIES AND FUND BALANCES			
Fund balances:			
Unreserved:			
Designated for wireless equipment	$ 32,099	$ -	$ 32,099
Undesignated	466,975	342	467,317
Total fund balances	$ 499,074	$ 342	$ 499,416
Total liabilities and fund balances	$ 499,074	$ 342	$ 499,416

Exhibit 13

County of Nottoway, Virginia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2010

	E-911 Fund	Dare Fund	Total
REVENUES			
Other local taxes	$ 900	$ -	$ 900
Intergovernmental revenues:			
Commonwealth	282,296	-	282,296
Total revenues	$ 283,196	$ -	$ 283,196
EXPENDITURES			
Current:			
Public safety	$ 80,053	$ -	$ 80,053
Total expenditures	$ 80,053	$ -	$ 80,053
Excess (deficiency) of revenues over (under) expenditures	$ 203,143	$ -	$ 203,143
Net change in fund balances	$ 203,143	$ -	$ 203,143
Fund balances - beginning	295,931	342	296,273
Fund balances - ending	$ 499,074	$ 342	$ 499,416

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

	E-911 Fund				Dare Fund			
	Budgeted Amounts			Variance with Final Budget Positive	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)	Original	Final	Actual	(Negative)
REVENUES								
Other local taxes	$ 1,000	$ 1,000	$ 900	$ (100)	$ -	$ -	$ -	$ -
Intergovernmental revenues:								
Commonwealth	147,000	147,000	282,296	135,296	-	-	-	-
Total revenues	$ 148,000	$ 148,000	$ 283,196	$ 135,196	$ -	$ -	$ -	$ -
EXPENDITURES								
Current:								
Public safety	$ 148,000	$ 180,099	$ 80,053	$ 100,046	$ -	$ 342	$ -	$ 342
Total expenditures	$ 148,000	$ 180,099	$ 80,053	$ 100,046	$ -	$ 342	$ -	$ 342
Excess (deficiency) of revenues over (under) expenditures	$ -	$ (32,099)	$ 203,143	$ 235,242	$ -	$ (342)	$ -	$ 342
Net change in fund balances	$ -	$ (32,099)	$ 203,143	$ 235,242	$ -	$ (342)	$ -	$ 342
Fund balances - beginning	-	32,099	295,931	263,832	-	342	342	-
Fund balances - ending	$ -	$ -	$ 499,074	$ 499,074	$ -	$ -	$ 342	$ 342

Exhibit 15

County of Nottoway, Virginia
Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2010

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Special Welfare Fund:				
Assets				
Cash and cash equivalents	$ 14,596	$ 40,082	$ 41,519	$ 13,159
Liabilities				
Amounts held for social services clients	$ 14,596	$ 40,082	$ 41,519	$ 13,159

DISCRETELY PRESENTED COMPONENT UNIT
SCHOOL BOARD

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Exhibit 16

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

	School Operating Fund	Textbook Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 2,202,787	$ 482,809	$ 352,871	$ 3,038,467
Due from other governmental units	593,648	-	-	593,648
Prepaid items	633,126	-	-	633,126
Total assets	$ 3,429,561	$ 482,809	$ 352,871	$ 4,265,241
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 100,689	$ -	$ 4,477	$ 105,166
Accrued liabilities	1,016,854	-	32,600	1,049,454
Due to other governmental units	2,312,018	-	-	2,312,018
Total liabilities	$ 3,429,561	$ -	$ 37,077	$ 3,466,638
Fund balances:				
Unreserved:				
Designated for encumbrances	$ -	$ -	$ 315,794	$ 315,794
Undesignated	-	482,809	-	482,809
Total fund balances	$ -	$ 482,809	$ 315,794	$ 798,603
Total liabilities and fund balances	$ 3,429,561	$ 482,809	$ 352,871	$ 4,265,241

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

Total fund balances per above	$ 798,603
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	13,899,762
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	(605,183)
Net assets of governmental activities	$ 14,093,182

Exhibit 17

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

	School Operating Fund	Textbook Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Revenue from the use of money and property	$ -	$ -	$ 5,338	$ 5,338
Charges for services	6,140	-	287,769	293,909
Miscellaneous	141,418	4,976	35,995	182,389
Intergovernmental revenues:				
Local government	2,695,990	-	-	2,695,990
Commonwealth	13,772,464	-	21,963	13,794,427
Federal	4,390,959	-	802,843	5,193,802
Total revenues	$ 21,006,971	$ 4,976	$ 1,153,908	$ 22,165,855
EXPENDITURES				
Current:				
Education	$ 20,771,822	$ 152,357	$ 1,061,295	$ 21,985,474
Capital projects	103,534	-	-	103,534
Debt service:				
Principal retirement	89,525	-	-	89,525
Interest and other fiscal charges	42,090	-	-	42,090
Total expenditures	$ 21,006,971	$ 152,357	$ 1,061,295	$ 22,220,623
Excess (deficiency) of revenues over (under) expenditures	$ -	$ (147,381)	$ 92,613	$ (54,768)
Net change in fund balances	$ -	$ (147,381)	$ 92,613	$ (54,768)
Fund balances - beginning	-	630,190	223,181	853,371
Fund balances - ending	$ -	$ 482,809	$ 315,794	$ 798,603

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		$ (54,768)
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 outlays	$ 1,605,364	
Depreciation expense	(1,218,435)	386,929
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 retirement on early retirement	$ 89,525	89,525
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	$ (29,089)	
(Increase) decrease in compensated absences	12,108	(16,981)
Change in net assets of governmental activities		$ 404,705

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

	School Operating Fund				Textbook Fund			
	Budgeted Amounts			Variance with Final Budget Positive	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)	Original	Final	Actual	(Negative)
REVENUES								
Charges for services	$ -	$ -	$ 6,140	$ 6,140	$ -	$ -	$ -	$ -
Miscellaneous	35,000	35,000	141,418	106,418	-	-	4,976	4,976
Intergovernmental revenues:								
Local government	4,032,518	4,318,860	2,695,990	(1,622,870)	-	-	-	-
Commonwealth	15,887,417	15,899,417	13,772,464	(2,126,953)	-	-	-	-
Federal	2,434,730	3,012,563	4,390,959	1,378,396	-	-	-	-
Total revenues	$ 22,389,665	$ 23,265,840	$ 21,006,971	$ (2,258,869)	$ -	$ -	$ 4,976	$ 4,976
EXPENDITURES								
Current:								
Education	$ 22,034,604	$ 22,910,780	$ 20,771,822	$ 2,138,958	$ -	$ -	$ 152,357	$ (152,357)
Capital projects	659,260	659,260	103,534	555,726	-	-	-	-
Debt service:								
Principal retirement	89,525	89,525	89,525	-	-	-	-	-
Interest and other fiscal charges	42,090	42,090	42,090	-	-	-	-	-
Total expenditures	$ 22,825,479	$ 23,701,655	$ 21,006,971	$ 2,694,684	$ -	$ -	$ 152,357	$ (152,357)
Excess (deficiency) of revenues over (under) expenditures	$ (435,814)	$ (435,815)	$ -	$ 435,815	$ -	$ -	$ (147,381)	$ (147,381)
Net change in fund balances	$ (435,814)	$ (435,815)	$ -	$ 435,815	$ -	$ -	$ (147,381)	$ (147,381)
Fund balances - beginning	435,814	435,815	-	(435,815)	-	-	630,190	630,190
Fund balances - ending	$ -	$ -	$ -	$ -	$ -	$ -	$ 482,809	$ 482,809

Exhibit 19

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

	School Cafeteria Fund			
	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Revenue from the use of money and property	$ 1,000	$ 1,000	$ 5,338	$ 4,338
Charges for services	375,000	375,000	287,769	(87,231)
Miscellaneous	79,400	79,400	35,995	(43,405)
Intergovernmental revenues:				
Commonwealth	18,003	18,003	21,963	3,960
Federal	690,000	690,000	802,843	112,843
Total revenues	$ 1,163,403	$ 1,163,403	$ 1,153,908	$ (9,495)
EXPENDITURES				
Current:				
Education	$ 1,163,403	$ 1,185,537	$ 1,061,295	$ 124,242
Total expenditures	$ 1,163,403	$ 1,185,537	$ 1,061,295	$ 124,242
Excess (deficiency) of revenues over (under) expenditures	$ -	$ (22,134)	$ 92,613	$ 114,747
Net change in fund balances	$ -	$ (22,134)	$ 92,613	$ 114,747
Fund balances - beginning	-	22,134	223,181	201,047
Fund balances - ending	$ -	$ -	$ 315,794	$ 315,794

DISCRETELY PRESENTED COMPONENT UNIT
INDUSTRIAL DEVELOPMENT AUTHORITY

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Exhibit 20

County of Nottoway, Virginia
Statement of Net Assets
Discretely Presented Component Unit - Industrial Development Authority
June 30, 2009

ASSETS		
Current assets:		
Cash and cash equivalents	$	185,785
Notes receivable		72,889
Total current assets	$	258,674
Noncurrent assets:		
Other assets:		
Notes receivable	$	2,252,876
Total noncurrent assets	$	2,252,876
Total assets	$	2,511,550
LIABILITIES		
Current liabilities:		
Notes payable - current portion	$	902,285
Total liabilities	$	902,285
NET ASSETS		
Unrestricted	$	1,609,265
Total net assets	$	1,609,265

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

Exhibit 21

County of Nottoway, Virginia
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Discretely Presented Component Unit - Industrial Development Authority
For the Year Ended June 30, 2010

OPERATING REVENUES		
Charges for services:		
Rents	$	128,107
Other revenues		66,352
Total operating revenues	$	194,459
OPERATING EXPENSES		
Other charges	$	55,639
Total operating expenses	$	55,639
Operating income (loss)	$	138,820
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	$	22,554
Interest expense		(77,620)
Total nonoperating revenues (expenses)	$	(55,066)
Change in net assets	$	83,754
Total net assets - beginning		1,525,511
Total net assets - ending	$	1,609,265

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

Exhibit 22

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

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	$ 271,194
Payments for operating activities	(55,639)
Net cash provided (used) by operating activities	$ 215,555
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal payments on notes	$ (637,386)
Principal payments on local government loan	(19,097)
Interest payments	(79,717)
Net cash provided (used) by capital and related financing activities	$ (736,200)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends received	$ 22,553
Net cash provided (used) by investing activities	$ 22,553
Net increase (decrease) in cash and cash equivalents	$ (498,092)
Cash and cash equivalents - beginning	683,877
Cash and cash equivalents - ending	$ 185,785
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating income (loss)	$ 138,820
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
(Increase) decrease in leases receivable	$ 76,735
Total adjustments	$ 76,735
Net cash provided (used) by operating activities	$ 215,555

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

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SUPPORTING SCHEDULES

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	$ 3,725,648	$ 3,725,648	$ 3,899,381	$ 173,733
Real and personal public service corporation taxes	295,938	295,938	293,494	(2,444)
Personal property taxes	1,084,211	1,224,211	1,390,192	165,981
Mobile home taxes	15,500	15,500	15,406	(94)
Machinery and tools taxes	186,500	186,500	181,633	(4,867)
Penalties	76,000	76,000	105,956	29,956
Interest	38,000	38,000	64,484	26,484
Total general property taxes	$ 5,421,797	$ 5,561,797	$ 5,950,546	$ 388,749
Other local taxes:				
Local sales and use taxes	$ 909,000	$ 909,000	$ 888,316	$ (20,684)
Business license taxes	138,200	138,200	157,682	19,482
Motor vehicle licenses	177,000	177,000	153,266	(23,734)
Taxes on recordation and wills	85,000	85,000	44,661	(40,339)
Hotel and motel room taxes	10,000	10,000	6,288	(3,712)
Total other local taxes	$ 1,319,200	$ 1,319,200	$ 1,250,213	$ (68,987)
Permits, privilege fees, and regulatory licenses:				
Animal licenses	$ 16,000	$ 16,000	$ 15,937	$ (63)
Permits and other licenses	42,180	42,180	72,568	30,388
Total permits, privilege fees, and regulatory licenses	$ 58,180	$ 58,180	$ 88,505	$ 30,325
Fines and forfeitures:				
Court fines and forfeitures	$ 6,000	$ 6,000	$ 17,068	$ 11,068
Total fines and forfeitures	$ 6,000	$ 6,000	$ 17,068	$ 11,068
Revenue from use of money and property:				
Revenue from use of money	$ 225,000	$ 225,000	$ 229,052	$ 4,052
Revenue from use of property	473,470	473,470	596,748	123,278
Total revenue from use of money and property	$ 698,470	$ 698,470	$ 825,800	$ 127,330
Charges for services:				
Charges for law enforcement and traffic control	$ 1,042	$ 1,042	$ 1,042	$ -
Charges for court costs	7,500	7,500	7,860	360
Charges for courthouse security	15,000	41,786	31,296	(10,490)
Charges for Commonwealth's Attorney	600	600	444	(156)
Charges for law library	2,000	2,000	2,163	163
Charges for other protection	500	500	787	287
Document Production	-	-	4,192	4,192
Charges for sale of historical material	250	250	169	(81)
Total charges for services	$ 26,892	$ 53,678	$ 47,953	$ (5,725)
Miscellaneous revenue:				
Miscellaneous	$ 206,248	$ 1,563,574	$ 121,783	$ (1,441,791)
Total miscellaneous revenue	$ 206,248	$ 1,563,574	$ 121,783	$ (1,441,791)

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Recovered costs:				
State trooper gas charges	$ -	-	$ 28,226	$ 28,226
Dispatching - Towns	2,867	2,867	2,867	-
Judicial administration, judge's office	32,000	32,000	35,339	3,339
Library contribution	3,500	3,500	3,500	-
Indirect services - Jail	30,000	30,000	24,626	(5,374)
Piedmont SWCD	-	-	12,600	12,600
Total recovered costs	$ 68,367	$ 68,367	$ 107,158	$ 38,791
Total revenue from local sources	$ 7,805,154	$ 9,329,266	$ 8,409,026	$ (920,240)
Revenue from the Commonwealth:				
Noncategorical aid:				
Rolling stock tax	$ 56,000	$ 56,000	$ 143	$ (55,857)
Mobile home titling tax	16,000	16,000	36,948	20,948
Tax on Deeds	14,000	14,000	9,759	(4,241)
Motor vehicle rental tax	-	-	370	370
State recordation tax	-	-	8,667	8,667
Personal property tax relief funds	1,049,790	1,049,790	1,049,790	-
Total noncategorical aid	$ 1,135,790	$ 1,135,790	$ 1,105,677	$ (30,113)
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	$ 212,536	$ 204,928	$ 195,465	$ (9,463)
Sheriff	835,000	816,749	708,198	(108,551)
Commissioner of revenue	88,000	84,575	84,627	52
Treasurer	100,000	93,265	95,814	2,549
Registrar/electoral board	43,700	38,837	-	(38,837)
Clerk of the Circuit Court	165,000	180,636	177,472	(3,164)
Total shared expenses	$ 1,444,236	$ 1,418,990	$ 1,261,576	$ (157,414)
Other categorical aid:				
Public assistance and welfare administration	$ 1,820,265	$ 1,820,698	$ 513,990	$ (1,306,708)
Comprehensive services act	219,420	784,810	556,177	(228,633)
Litter control grant	-	5,125	5,125	-
Biosolids fees	5,000	5,000	2,198	(2,802)
Emergency medical services	-	149,498	12,639	(136,859)
Library grant	-	36,135	36,135	-
Local law enforcement block grant	-	-	2,444	2,444
VJCCCS grant	27,000	25,650	25,111	(539)
Records grant	-	-	7,800	7,800
Fire programs	-	-	25,335	25,335
Total other categorical aid	$ 2,071,685	$ 2,826,916	$ 1,186,954	$ (1,639,962)
Total categorical aid	$ 3,515,921	$ 4,245,906	$ 2,448,530	$ (1,797,376)
Total revenue from the Commonwealth	$ 4,651,711	$ 5,381,696	$ 3,554,207	$ (1,827,489)

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	$ -	$ -	$ 877,156	$ 877,156
Community development block grant	-	7,350	211,557	204,207
Homeland security	-	-	111,750	111,750
Sheriff funds	-	-	35,653	35,653
ISTEA Grant	-	-	30,600	30,600
Ground transportation safety	-	-	8,797	8,797
Hemp Planning	-	-	25,000	25,000
Total categorical aid	$ -	$ 7,350	$ 1,300,513	$ 1,293,163
Total revenue from the federal government	$ -	$ 7,350	$ 1,300,513	$ 1,293,163
Total General Fund	$ 12,456,865	$ 14,718,312	$ 13,263,746	$ (1,454,566)
Special Revenue Funds:				
Landfill Fund:				
Revenue from local sources:				
Other local taxes:				
Consumer utility tax	$ 162,500	$ 162,500	$ 148,332	$ (14,168)
Consumption tax	26,755	26,755	26,020	(735)
Total other local taxes	$ 189,255	$ 189,255	$ 174,352	$ (14,903)
Charges for services:				
Landfill use fees	$ 395,830	$ 395,830	$ 373,022	$ (22,808)
Total revenue from local sources	$ 585,085	$ 585,085	$ 547,374	$ (37,711)
Revenue from the Commonwealth:				
Noncategorical aid:				
Communications tax	$ 284,300	$ 284,300	$ 273,333	$ (10,967)
Total noncategorical aid	$ 284,300	$ 284,300	$ 273,333	$ (10,967)
Total revenue from the Commonwealth	$ 284,300	$ 284,300	$ 273,333	$ (10,967)
Total Landfill Fund	$ 869,385	$ 869,385	$ 820,707	$ (48,678)
E-911 Fund:				
Revenue from local sources:				
Other local taxes:				
E-911 taxes	$ 1,000	$ 1,000	$ 900	$ (100)
Total other local taxes	$ 1,000	$ 1,000	$ 900	$ (100)
Total revenue from local sources	$ 1,000	$ 1,000	$ 900	$ (100)
Revenue from the Commonwealth:				
Noncategorical aid:				
Communications Tax	$ 95,000	$ 95,000	$ 90,994	$ (4,006)
Total noncategorical aid	$ 95,000	$ 95,000	$ 90,994	$ (4,006)
Categorical aid:				
Wireless grant funds	$ 52,000	$ 52,000	$ 41,804	$ (10,196)
GIS	-	-	149,498	149,498
Total categorical aid	$ 52,000	$ 52,000	$ 191,302	$ 139,302
Total E-911 Fund	$ 148,000	$ 148,000	$ 283,196	$ 135,196
Total Primary Government	$ 13,474,250	$ 15,735,697	$ 14,367,649	$ (1,368,048)

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board:				
Special Revenue Funds:				
School Operating Fund:				
Revenue from local sources:				
Charges for services:				
Charges for education	$ -	$ -	$ 6,140	$ 6,140
Miscellaneous revenue:				
Other miscellaneous	$ 35,000	$ 35,000	$ 141,418	$ 106,418
Total revenue from local sources	$ 35,000	$ 35,000	$ 147,558	$ 112,558
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Nottoway, Virginia	$ 4,032,518	$ 4,318,860	$ 2,695,990	$ (1,622,870)
Total revenues from local governments	$ 4,032,518	$ 4,318,860	$ 2,695,990	$ (1,622,870)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	$ 2,142,939	$ 2,142,939	$ 2,045,035	$ (97,904)
Basic school aid	8,413,926	8,413,926	7,461,249	(952,677)
Remedial education	289,223	289,223	285,818	(3,405)
Regular foster care	-	-	17,822	17,822
Gifted and talented	77,012	77,012	76,105	(907)
Remedial summer school	150,076	150,076	135,213	(14,863)
Enrollment loss	-	-	108,625	108,625
Special education	1,228,771	1,228,771	1,214,302	(14,469)
Project Graduatoin	-	12,000	-	(12,000)
Vocational education	206,097	206,097	217,843	11,746
Social security and retirement fringe benefits	1,131,222	1,131,222	958,927	(172,295)
GED payments	7,859	7,859	7,859	-
State lottery payments	951,885	951,885	195,252	(756,633)
Early reading intervention	71,600	71,600	54,894	(16,706)
Homebound education	10,088	10,088	17,888	7,800
Special education - foster children	21,478	21,478	17,540	(3,938)
At risk payments	572,707	572,707	562,736	(9,971)
VPSA technology funds	206,000	206,000	-	(206,000)
Primary class size	304,589	304,589	302,825	(1,764)
Standards of Learning algebra readiness	36,516	36,516	36,618	102
English as a second language	63,274	63,274	49,334	(13,940)
National Board Certification	-	-	2,500	2,500
Mentor teacher program	2,155	2,155	4,079	1,924
Total categorical aid	$ 15,887,417	$ 15,899,417	$ 13,772,464	$ (2,126,953)
Total revenue from the Commonwealth	$ 15,887,417	$ 15,899,417	$ 13,772,464	$ (2,126,953)

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
Special Revenue Funds: (Continued)				
School Operating Fund: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Migrant education	$ 36,236	$ 36,236	$ 37,857	$ 1,621
Rural education	-	-	64,179	64,179
Title I	806,176	1,059,694	1,014,894	(44,800)
Title VI-B, special education flow-through	627,183	931,006	821,520	(109,486)
Vocational education	60,726	60,726	60,768	42
Preschool special education	15,961	15,961	33,961	18,000
Title II Part A	174,072	174,072	134,707	(39,365)
Title II Part D	7,824	28,316	2,006	(26,310)
21st century grant	590,000	590,000	517,072	(72,928)
Drug free school	16,762	16,762	26,885	10,123
ROTC	67,000	67,000	70,823	3,823
State fiscal stabilization	-	-	1,507,388	1,507,388
Educational Technology	-	-	18,276	18,276
Forest reserve	-	-	55,122	55,122
Gear up funds	22,790	22,790	25,501	2,711
Project hope grant	10,000	10,000	-	(10,000)
Total categorical aid	$ 2,434,730	$ 3,012,563	$ 4,390,959	$ 1,378,396
Total revenue from the federal government	$ 2,434,730	$ 3,012,563	$ 4,390,959	$ 1,378,396
Total School Operating Fund	$ 22,389,665	$ 23,265,840	$ 21,006,971	$ (2,258,869)
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	$ 1,000	$ 1,000	$ 5,338	$ 4,338
Charges for services:				
Cafeteria sales	$ 375,000	$ 375,000	$ 287,769	$ (87,231)
Miscellaneous revenue:				
Other miscellaneous	$ 79,400	$ 79,400	$ 35,995	$ (43,405)
Total revenue from local sources	$ 455,400	$ 455,400	$ 329,102	$ (126,298)
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	$ 18,003	$ 18,003	$ 21,963	$ 3,960
Revenue from the federal government:				
Categorical aid:				
School food program grant	$ 690,000	$ 690,000	$ 757,814	$ 67,814
Commodities	-	-	45,029	45,029
Total revenue from the federal government	$ 690,000	$ 690,000	$ 802,843	$ 112,843
Total School Cafeteria Fund	$ 1,163,403	$ 1,163,403	$ 1,153,908	$ (9,495)
Textbook Fund:				
Revenue from local sources:				
Miscellaneous revenue				
Total revenue from local sources	$ -	$ -	$ 4,976	$ 4,976
Total Textbook Fund	$ -	$ -	$ 4,976	$ 4,976
Total Discretely Presented Component Unit - School Board	$ 23,553,068	$ 24,429,243	$ 22,165,855	$ (2,263,388)

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

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	$ 681,913	$ 525,098	$ 163,790	$ 361,308
General and financial administration:				
County administrator	$ 250,492	$ 248,910	$ 234,660	$ 14,250
Legal services	11,650	1,588	-	1,588
Commissioner of revenue	177,232	178,117	173,513	4,604
Treasurer	236,983	232,957	197,591	35,366
Independent audit	32,500	32,500	32,500	-
Data processing	108,572	153,539	137,040	16,499
Total general and financial administration	$ 817,429	$ 847,611	$ 775,304	$ 72,307
Board of elections:				
Electoral board and officials	$ 123,175	$ 120,328	$ 99,744	$ 20,584
Total board of elections	$ 123,175	$ 120,328	$ 99,744	$ 20,584
Total general government administration	$ 1,622,517	$ 1,493,037	$ 1,038,838	$ 454,199
Judicial administration:				
Courts:				
Circuit court	$ 53,468	$ 53,468	$ 47,119	$ 6,349
General district court	10,100	10,663	2,893	7,770
Commissioner of accounts	150	150	-	150
Magistrate	100	100	-	100
Juvenile and domestic relations district court	33,050	31,319	17,671	13,648
Clerk of the circuit court	233,332	253,421	229,677	23,744
Jurors and witnesses	11,815	11,815	1,710	10,105
Sheriff	119,153	121,005	120,356	649
Law library	1,200	14,586	5,221	9,365
Total courts	$ 462,368	$ 496,527	$ 424,647	$ 71,880
Commonwealth's attorney:				
Commonwealth's attorney	$ 235,047	$ 237,501	$ 234,074	$ 3,427
Total commonwealth's attorney	$ 235,047	$ 237,501	$ 234,074	$ 3,427
Total judicial administration	$ 697,415	$ 734,028	$ 658,721	$ 75,307
Public safety:				
Law enforcement and traffic control:				
Sheriff	$ 894,670	$ 998,874	$ 917,695	$ 81,179
Central dispatching	415,658	409,959	360,821	49,138
Total law enforcement and traffic control	$ 1,310,328	$ 1,408,833	$ 1,278,516	$ 130,317
Fire and rescue services:				
Volunteer fire department	$ 195,000	$ 220,335	$ 204,741	$ 15,594
Rescue service	103,494	254,242	125,176	129,066
State forestry service	11,215	11,215	11,435	(220)
Total fire and rescue services	$ 309,709	$ 485,792	$ 341,352	$ 144,440

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

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public safety: (Continued)				
Correction and detention:				
Detention home	$ 100,000	$ 105,421	$ 98,596	$ 6,825
Juvenile probation and detention	100,000	101,178	33,291	67,887
Total correction and detention	$ 200,000	$ 206,599	$ 131,887	$ 74,712
Inspections:				
Building	$ 71,244	$ 71,799	$ 70,088	$ 1,711
Total inspections	$ 71,244	$ 71,799	$ 70,088	$ 1,711
Other protection:				
Animal control	$ 66,321	$ 77,643	$ 55,094	$ 22,549
Medical examiner	200	200	40	160
Total other protection	$ 66,521	$ 77,843	$ 55,134	$ 22,709
Total public safety	$ 1,957,802	$ 2,250,866	$ 1,876,977	$ 373,889
Public works:				
Sanitation and waste removal:				
Litter control	$ -	$ 5,125	$ 1,665	$ 3,460
Total sanitation and waste removal	$ -	$ 5,125	$ 1,665	$ 3,460
Maintenance of general buildings and grounds:				
General properties	$ 259,517	$ 259,253	$ 232,514	$ 26,739
Total maintenance of general buildings and grounds	$ 259,517	$ 259,253	$ 232,514	$ 26,739
Total public works	$ 259,517	$ 264,378	$ 234,179	$ 30,199
Health and welfare:				
Health:				
Supplement of local health department	$ 100,000	$ 100,000	$ 82,483	$ 17,517
Total health	$ 100,000	$ 100,000	$ 82,483	$ 17,517
Mental health and mental retardation:				
Community services board	$ 44,450	$ 44,450	$ 43,700	$ 750
Total mental health and mental retardation	$ 44,450	$ 44,450	$ 43,700	$ 750
Welfare:				
Public assistance and welfare administration	$ 2,067,878	$ 2,067,612	$ 1,640,386	$ 427,226
State/local hospitalization	3,573	3,573	-	3,573
Area Agency on Aging	200	200	200	-
Comprehensive Services Act	312,500	1,081,435	899,859	181,576
Total welfare	$ 2,384,151	$ 3,152,820	$ 2,540,445	$ 612,375
Total health and welfare	$ 2,528,601	$ 3,297,270	$ 2,666,628	$ 630,642

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

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Education:				
Other instructional costs:				
Contribution to community colleges	$ 3,920	$ 3,920	$ 3,920	$ -
Contribution to County School Board	4,032,518	4,318,860	2,695,990	1,622,870
Total education	$ 4,036,438	$ 4,322,780	$ 2,699,910	$ 1,622,870
Parks, recreation, and cultural:				
Parks and recreation:				
Parks and recreation	$ 19,500	$ 30,942	$ 19,500	$ 11,442
Total parks and recreation	$ 19,500	$ 30,942	$ 19,500	$ 11,442
Library:				
Library administration	$ 152,878	$ 213,497	$ 204,890	$ 8,607
Literacy project	17,625	20,398	19,182	1,216
Total library	$ 170,503	$ 233,895	$ 224,072	$ 9,823
Total parks, recreation, and cultural	$ 190,003	$ 264,837	$ 243,572	$ 21,265
Community development:				
Planning and community development:				
Economic development	$ 14,558	$ 14,558	$ 7,297	$ 7,261
Planning commission	100,742	120,955	93,708	27,247
Zoning board	2,500	2,500	1,888	612
Total planning and community development	$ 117,800	$ 138,013	$ 102,893	$ 35,120
Environmental management:				
Soil and water conservation district	$ 8,500	$ 8,500	$ 8,500	$ -
Other environmental management	38,738	56,361	31,863	24,498
Total environmental management	$ 47,238	$ 64,861	$ 40,363	$ 24,498
Cooperative extension program:				
Extension office	$ 38,298	$ 38,298	$ 21,978	$ 16,320
Ft. Pickett local reuse authority	437,174	2,275,739	1,967,111	308,628
Small business incubator	68,923	68,923	38,499	30,424
Lodge at Ft. Pickett	213,061	213,061	161,562	51,499
Total cooperative extension program	$ 757,456	$ 2,596,021	$ 2,189,150	$ 406,871
Total community development	$ 922,494	$ 2,798,895	$ 2,332,406	$ 466,489
Capital projects:				
School gymnasiums	$ 396,202	$ 396,202	$ 1,013,579	$ (617,377)
Other capital projects		1,328,307	144,730	1,183,577
Community development block grant	-	499,206	226,280	272,926
Total capital projects	$ 396,202	$ 2,223,715	$ 1,384,589	$ 839,126
School debt service:				
Principal retirement	$ 555,204	$ 655,116	$ 552,029	$ 103,087
Interest and other fiscal charges	180,750	337,391	278,800	58,591
Total debt service	$ 735,954	$ 992,507	$ 830,829	$ 161,678
Total General Fund	$ 13,346,943	$ 18,642,313	$ 13,966,649	$ 4,675,664

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

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Funds:				
Landfill Fund:				
Public works:				
Sanitation and waste removal:				
Landfill	$ 1,451,667	$ 1,899,586	$ 1,764,539	$ 135,047
Total Landfill Fund	$ 1,451,667	$ 1,899,586	$ 1,764,539	$ 135,047
E-911 Fund:				
Public safety:				
Law enforcement and traffic control:				
Emergency 911 services	$ 148,000	$ 180,099	$ 80,053	$ 100,046
Total E-911 Fund	$ 148,000	$ 180,099	$ 80,053	$ 100,046
Dare Program Fund:				
Public safety:				
Law enforcement and traffic control:				
Dare program	$ -	$ 342	$ -	$ 342
Total Dare Program Fund	$ -	$ 342	$ -	$ 342
Total Primary Government	$ 14,946,610	$ 20,722,340	$ 15,811,241	$ 4,911,099
Discretely Presented Component Unit - School Board:				
Special revenue funds:				
School Operating Fund:				
Education:				
Instruction costs:				
Elementary and secondary schools	$ 17,363,964	$ 18,070,405	$ 16,323,637	$ 1,746,768
Total instruction costs	$ 17,363,964	$ 18,070,405	$ 16,323,637	$ 1,746,768
Operating costs:				
Administration, attendance and health services	$ 969,964	$ 1,056,662	$ 983,396	$ 73,266
Pupil transportation	1,470,946	1,453,582	1,353,760	99,822
Operation and maintenance of school plant	2,229,730	2,330,131	2,111,029	219,102
Total operating costs	$ 4,670,640	$ 4,840,375	$ 4,448,185	$ 392,190
Total education	$ 22,034,604	$ 22,910,780	$ 20,771,822	$ 2,138,958
Capital projects:				
School capital projects	$ 659,260	$ 659,260	$ 103,534	$ 555,726
Total capital projects	$ 659,260	$ 659,260	$ 103,534	$ 555,726
Debt service:				
Principal retirement	$ 89,525	$ 89,525	$ 89,525	$ -
Interest and other fiscal charges	42,090	42,090	42,090	-
Total debt service	$ 131,615	$ 131,615	$ 131,615	$ -
Total School Operating Fund	$ 22,825,479	$ 23,701,655	$ 21,006,971	$ 2,694,684

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

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
Special revenue funds: (Continued)				
Textbook Fund:				
Education:				
Instruction:				
Elementary and secondary schools	$ -	$ -	$ 152,357	$ (152,357)
Total Textbook Fund	$ -	$ -	$ 152,357	$ (152,357)
Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	$ 1,163,403	$ 1,185,537	$ 1,016,266	$ 169,271
Commodities	-	-	45,029	(45,029)
Total Cafeteria Fund	$ 1,163,403	$ 1,185,537	$ 1,061,295	$ 124,242
Total Discretely Presented Component Unit - School Board	$ 23,988,882	$ 24,887,192	$ 22,220,623	$ 2,666,569

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OTHER STATISTICAL SECTION

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Table 1

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

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Total
2003	$ 786,405	$ 357,846	$ 1,262,887	$ 809,278	$ 1,733,274	$ 4,618,133	$ 135,539	$ 465,756	$ 152,577	$ 10,321,695
2004	726,883	389,277	1,262,405	863,062	1,656,272	3,607,359	156,396	339,409	148,558	9,149,621
2005	835,552	425,596	1,731,098	1,900,197	2,015,446	2,542,511	46,957	1,061,513	79,722	10,638,592
2006	902,049	596,712	1,750,408	1,038,727	2,048,848	5,635,335	174,982	792,430	155,936	13,095,427
2007	969,831	666,209	1,812,719	981,761	2,516,297	4,053,533	235,446	724,700	207,695	12,168,191
2008	1,003,186	742,287	2,017,296	3,193,667	2,436,410	4,509,077	235,504	1,249,191	320,456	15,707,074
2009	952,744	751,950	2,164,176	1,451,886	2,960,851	4,105,917	288,816	761,856	253,282	13,691,478
2010	1,030,374	734,255	1,985,731	1,211,446	2,719,493	4,271,797	332,705	1,192,922	267,481	13,746,204

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

Table 2

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

	PROGRAM REVENUES			GENERAL REVENUES						
Fiscal Year	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/ (Loss) on Disposal of Capital Assets	Total
2003	$ 546,987	$ 2,818,007	$ -	$ 4,454,728	$ 1,755,389	$ 400,066	$ 59,922	$ 1,230,384	$ -	$ 11,265,483
2004	483,972	2,649,765	-	4,531,789	1,729,490	455,200	94,228	1,094,303	-	11,038,747
2005	545,392	2,782,173	387,801	4,381,189	1,776,239	568,301	87,650	1,324,633	-	11,853,378
2006	447,871	3,245,783	-	4,620,680	1,900,662	762,892	107,128	1,228,986	(60,000)	12,254,002
2007	535,634	3,441,827	-	5,278,029	1,996,430	986,384	160,654	1,235,150	-	13,634,108
2008	568,831	4,075,732	82,300	6,024,635	1,979,024	936,444	40,470	1,723,017	773,975	16,204,428
2009	544,386	4,204,403	50,048	5,926,926	1,840,115	1,136,271	209,941	797,297	-	14,709,387
2010	526,548	3,698,189	242,157	6,143,978	1,425,465	825,800	121,783	1,470,004	258,158	14,712,082

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

Table 3

County of Nottoway, Virginia
General Governmental Expenditures by Function (1)
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
2001	$ 732,142	$ 364,247	$ 1,327,826	$ 622,644	$ 1,545,587	$ 18,560,860	$ 207,116	$ 724,958	$ 610,919	$ 24,696,299
2002	831,046	353,651	1,266,158	767,299	1,645,485	17,681,053	144,978	817,464	673,900	24,181,034
2003	719,780	343,143	1,278,945	766,646	1,695,251	17,185,434	128,045	1,007,203	690,011	23,814,458
2004	712,034	349,536	1,560,230	777,704	1,606,537	17,302,429	150,557	1,476,266	692,398	24,627,691
2005	815,050	338,740	1,760,881	1,762,435	1,998,180	19,629,616	170,979	639,856	2,167,398	29,283,135
2006	1,018,269	482,624	1,837,003	824,331	1,996,609	20,944,482	165,313	621,278	756,220	28,646,129
2007	928,922	595,356	1,808,213	932,939	2,494,634	21,646,837	182,463	642,529	801,046	30,032,939
2008	1,044,235	673,492	2,067,127	1,572,814	2,390,868	22,412,062	183,570	1,091,767	841,086	32,277,021
2009	1,071,589	674,133	2,179,682	1,122,463	2,903,489	24,954,627	237,571	748,890	944,246	34,836,690
2010	1,038,838	658,721	1,957,030	1,998,718	2,666,628	21,989,394	243,572	2,332,406	962,444	33,847,751

(1) Includes General and Special Revenue funds of the Primary Government and its Discretely Presented Component Unit - School Board.
(2) Excludes contribution from Primary Government to Discretely Presented Component Unit - School Board.

Table 4

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

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (2)	Total
2001	$ 4,580,027	$ 1,652,971	$ 40,406	$ 3,576	$ 624,831	$ 697,949	$ 223,860	$ 133,463	$ 17,870,994	$ 25,828,077
2002	4,434,178	1,638,145	49,223	3,181	469,712	690,161	371,309	393,178	18,094,006	26,143,093
2003	4,496,528	1,755,389	40,211	4,860	404,601	800,209	215,452	77,567	18,173,660	25,968,477
2004	4,422,274	1,729,490	43,557	4,172	462,907	760,411	266,455	47,194	18,923,591	26,660,051
2005	4,418,220	1,776,239	54,335	7,594	569,124	823,801	289,636	40,512	21,360,648	29,340,109
2006	4,798,641	1,900,662	69,822	6,271	763,810	723,932	323,154	100,943	21,422,610	30,109,845
2007	5,344,378	1,996,430	61,140	6,832	988,384	806,563	323,859	87,501	23,579,515	33,194,602
2008	5,977,418	1,979,024	59,693	10,133	937,816	828,754	234,618	106,774	24,623,214	34,757,444
2009	6,075,814	1,840,115	106,037	16,137	1,137,683	755,632	378,287	102,799	24,251,463	34,663,967
2010	5,950,546	1,425,465	88,505	17,068	831,138	714,884	304,172	107,158	24,398,578	33,837,514

(1) Includes General and Special Revenue funds of the Primary Government and its Discretely Presented Component Unit - School Board.
(2) Excludes contribution from Primary Government to Discretely Presented Component Unit - School Board.

Table 5

County of Nottoway, 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 (1,2) Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1,2)	Percent of Delinquent Taxes to Tax Levy
2001	$ 5,132,792	$ 4,853,682	94.56%	$ 185,440	$ 5,039,122	98.18%	$ 534,036	10.40%
2002	5,371,114	5,092,492	94.81%	148,937	5,241,429	97.59%	632,255	11.77%
2003	5,368,513	5,115,405	95.29%	288,088	5,403,493	100.65%	646,938	12.05%
2004	5,467,461	5,094,888	93.19%	173,679	5,268,567	96.36%	714,016	13.06%
2005	5,390,352	5,107,976	94.76%	177,995	5,285,971	98.06%	967,921	17.96%
2006	5,832,438	5,608,668	96.16%	165,194	5,773,862	99.00%	990,053	16.97%
2007	6,394,504	6,154,314	96.24%	146,965	6,301,279	98.54%	685,111	10.71%
2008	6,806,898	6,547,727	96.19%	330,336	6,878,063	101.05%	792,924	11.65%
2009	7,192,469	6,901,884	95.96%	145,342	7,047,226	97.98%	835,419	11.62%
2010	6,904,508	6,572,629	95.19%	257,267	6,829,896	98.92%	877,850	12.71%

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

Table 6

County of Nottoway, Virginia
Assessed Value of Taxable Property (in thousands)
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property and Mobile Homes	Machinery and Tools	Public Service (2)	Total
2001	$ 489,969	$ 66,040	$ 7,022	$ 58,517	$ 621,548
2002	507,157	70,565	15,542	55,825	649,089
2003	517,881	67,673	16,880	54,745	657,179
2004	527,103	70,251	16,145	51,777	665,276
2005	536,061	66,966	16,417	46,611	666,055
2006	540,862	72,809	15,956	44,394	674,022
2007	777,728	74,796	18,398	64,454	935,376
2008	790,448	76,093	18,237	66,339	951,116
2009	798,086	80,427	14,482	57,123	950,118
2010	805,070	69,447	13,998	56,230	944,746

(1) Real estate is assessed at 100% of fair market value.
(2) Assessed values are established by the State Corporation Commission.

Table 7

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

				Public Utility	
Fiscal Year	Real Estate	Personal Property	Machinery and Tools	Real Estate	Personal Property
2001	$ 0.54	$ 3.15	$ 2.25	$ 0.54	$ 3.15
2002	0.54	3.15	1.25	0.54	3.15
2003	0.54	3.15	1.25	0.54	3.15
2004	0.54	3.15	1.25	0.54	3.15
2005	0.54	3.15	1.25	0.54	3.15
2006	0.56	3.35	1.25	0.56	3.35
2007	0.44	3.35	1.25	0.44	3.35
2008	0.47	3.40	1.35	0.47	3.40
2009	0.49	3.50	1.35	0.49	3.50
2010	0.49	3.50	1.35	0.49	3.50

(1) Per $100 of assessed value.

Table 8

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

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross Bonded Debt (3)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2001	15,725	$ 621,548	$ 6,854,039	$ 6,854,039	1.10%	$ 436
2002	15,725	649,089	7,931,932	7,931,932	1.22%	504
2003	15,725	657,179	6,043,631	6,043,631	0.92%	384
2004	15,725	665,276	5,638,427	5,638,427	0.85%	359
2005	15,725	666,055	6,437,577	6,437,577	0.97%	409
2006	15,725	674,022	5,988,038	5,988,038	0.89%	381
2007	15,725	935,376	8,534,523	8,534,523	0.91%	543
2008	15,725	951,116	7,529,614	7,529,614	0.79%	479
2009	15,725	950,118	8,979,904	8,979,904	0.95%	571
2010	15,725	944,746	8,421,596	8,421,596	0.89%	536

(1) Bureau of Census
(2) From Table 6
(3) Includes all long-term general obligation bonded debt, bonded anticipation notes, and literary fund loans.
Excludes revenue bonds, capital leases, and compensated absences.

COMPLIANCE SECTION

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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 Nottoway
Nottoway, 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 Nottoway, Virginia, as of and for the year ended June 30, 2010, which collectively comprise the County of Nottoway, Virginia's basic financial statements and have issued our report thereon dated December 22, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Nottoway, 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 Nottoway, Virginia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Nottoway, 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 Nottoway, 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*.

We noted other matters that we have reported to management of the County of Nottoway, Virginia, in a separate letter dated December 22, 2010.

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.

Richmond, Virginia
December 22, 2010

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS *A PROFESSIONAL LIMITED LIABILITY COMPANY*

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

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

Compliance

We have audited County of Nottoway, 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 Nottoway, Virginia's major federal programs for the year ended June 30, 2010. The County of Nottoway, 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 Nottoway, Virginia's management. Our responsibility is to express an opinion on the County of Nottoway, 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 Nottoway, 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 Nottoway, Virginia's compliance with those requirements.

In our opinion, the County of Nottoway, 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 programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of the County of Nottoway, 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 Nottoway, 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 Nottoway, 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.

Robinson, Farmer, Cox Associates

Richmond, Virginia
December 22, 2010

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

Federal Grantor/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	$	1,403
Temporary Assistance to Needy Families (TANF)	93.558	0400109/0400110		185,038
Refugee and Entrant Assistance - State Administered Programs	93.566	0500109/0500110		412
Low Income Home Energy Assistance	93.568	06004409/00600410		8,757
Child Care and Development Block Grant	93.575	0770109/0770110		58,109
Chafee Education & Training Vouchers Program	93.599	9160108/9160109		1,593
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760109/0760110		40,307
Child Welfare Services - State Grants	93.645	0900109/090110		427
Foster Care - Title IV-E	93.658	1100109/1100110		65,421
ARRA - Foster Care - Title IV-E	93.658	1100109/1100110		3,486
Adoption Assistance	93.659	1120109/1120111		42,763
ARRA - Adoption Assistance	93.659	1120109/1120111		4,747
Social Services Block Grant	93.667	1000109/1000110		85,141
Chafee Foster Care Independence Program	93.674	9150109/9150110		1,991
ARRA - Child Care and Development Block Grant	93.713	0740109/0780109		29,901
Children's Health Insurance Program	93.767	0540109/0540110		9,145
Medical Assistance Program	93.778	1200109/1200110		116,753
Total Department of Health and Human Services			$	655,394
Department of Agriculture:				
Direct Payments:				
Summer Food Service Program for Children	10.559		$	20,802
Pass Through Payments:				
Department of Agriculture:				
Food Distribution--School	10.555	17901-45707		45,029
Department of Education:				
National school breakfast program	10.553	17901-40591		187,375
National school lunch program	10.555	17901-40623		549,636
Schools and Roads - Grants to States	10.665	17901		55,122
Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010109/0010100		207,766
ARRA - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0040109/0040110		13,996
Total Department of Agriculture - pass-through payments			$	1,058,924
Total Department of Agriculture			$	1,079,726
Department of Homeland Security:				
Pass Through Payments:				
Department of Emergency Assistance:				
State Homeland Security Program	97.073	77501-52708	$	111,750
Total Department of Homeland Security			$	111,750
Department of Justice:				
Pass Through Payments:				
Compensation Board:				
ARRA - Edward Byrne Memorial Justice Assistance Grant Program - Grants to State and Territories	16.803	30712	$	35,653
Total Department of Justice			$	35,653

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

Federal Grantor/Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number		Federal Expenditures
Department of Housing and Urban Development:				
Pass Through Payments:				
Department of Housing and Community Development:				
Community Development Block Grants / Entitlement Grants	14.228	53305-50798	$	211,557
Department of Transportation:				
Pass Through Payments:				
Department of Motor Vehicles:				
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	77501-52609	$	25,000
Highway Research and Development Program (ISTEA)	20.200	60507-50301		30,600
State and Community Highway Safety Program	20.600	60507-59257		8,797
Total Department of Transportation			$	64,397
Department of the Navy:				
Direct Payments:				
JROTC	12.xxx		$	70,823
Department of Education:				
Pass Through Payments:				
Department of Education:				
Title I Grants to Local Educational Agencies	84.010	17901-42901	$	796,178
Migrant Education	84.011	17901-42910		37,857
Special Education - Grants to States	84.027	17901-43071		586,122
Career and Technical Education - Basic Grants to States	84.048	17901-61095		60,768
Special Education - Preschool Grants	84.173	17901-62521		32,202
Safe and Drug-Free Schools and Communities - State Grants	84.186	17901-60511		26,885
Twenty-First Century Community Learning Centers	84.287	17901-60565		517,072
Education Technology State Grants	84.318	17901-61600		2,006
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	17117		25,502
Rural Education	84.358	17901-43481		64,179
Improving Teacher Quality State Grants	84.367	17901-61480		134,707
ARRA - Education Technology State Grants	84.386	17901-60897		18,276
ARRA - Title I Grants to Local Educational Agencies	84.389	17901-42913		218,716
ARRA - Special Education Grants to States	84.391	17901-61245		235,398
ARRA - Special Education - Preschool grants	84.392	17901-61246		1,759
ARRA - State Fiscal Stabilization Fund - Education State Grants	84.394	17901-61245		1,507,388
Total Department of Education			$	4,265,015
Total Expenditures of Federal Awards			$	6,494,315

See accompanying notes to schedule of expenditures of federal awards.

County of Nottoway, Virginia

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

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the County of Nottoway, Virginia under programs of the federal government for the year ended June 30, 2010. The information in this Schedule is presented in accordance with the requirements of 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 Nottoway, Virginia, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County of Nottoway, Virginia.

Note 2 - Summary of Significant Accounting Policies

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

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

Note 3 - Food Donation

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2010, the County received and disbursed food commodities totaling $45,029 .

Note 4 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:	
Primary government:	
General Fund	$ 1,300,513
Total primary government	$ 1,300,513
Component Unit Public Schools:	
School Operating Fund	$ 4,390,959
School Cafeteria Fund	802,843
Total component unit public schools	$ 5,193,802
Total federal expenditures per basic financial statements	$ 6,494,315
Total federal expenditures per the Schedule of Expenditures of Federal Awards	$ 6,494,315

Section I–Summary of Auditors' Results

Financial Statements

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

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	____ yes	✓ no
Significant deficiency(ies) identified?	____ yes	✓ none reported
Type of 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 OMB 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
84.010/84.389	Title I, Part A Cluster
84.394	State Fiscal Stabilization Fund - Education
93.575/93.596/93.713	Child Care and Development Cluster

Dollar threshold used to distinguish between type A and type B programs:	$300,000	
Auditee qualified as low-risk auditee?	✓ yes	____ no

Section II–Financial Statement Findings

None

Section III-Federal Award Findings and Questioned Costs

None

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

There were no prior year findings.

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