

COUNTY OF RICHMOND, VIRGINIA



ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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ANNUAL FINANCIAL REPORT

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COUNTY OF RICHMOND, VIRGINIA

BOARD OF SUPERVISORS

Randall W. Packett, Jr., Chairperson

Randy L. Phelps
Richard E. Thomas, Sr.

Courtney M. Sisson
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OTHER OFFICIALS

Judge of the Circuit Court Harry T. Taliaferro, III
Clerk of the Circuit Court Rosa S. Forrester
Judge of the General District Court Gordon A. Wilkins
Judge of the Juvenile and Domestic Relations Court..... R. Michael McKenney
Commonwealth's Attorney Wayne L. Emery
Commissioner of the Revenue Vickie W. Lewis
Treasurer Edith A. Sanders
Sheriff Douglas A. Bryant
Superintendent of Schools Marilyn Barr
Director of Social Services Claudette Henderson
County Administrator William E. Duncanson

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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 Richmond
Richmond, 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 Richmond, 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 Richmond, 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 Richmond, 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.

As discussed in Note 17, the County implemented GASB Statement No.45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits other than Pensions* effective June 30, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2011, on our consideration of the County of Richmond, 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 Richmond, Virginia's basic financial statements. The combining and individual 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 Richmond, Virginia. The combining and individual 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 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.

A handwritten signature in dark ink, appearing to be "K. F. Y.", followed by a horizontal line.

Richmond, Virginia
January 17, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

Financial Highlights

Government-wide Financial Statements

- < The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$7,704,809 (net assets).

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported expenditures and other financing uses in excess of revenues and other financing sources of \$321,887 (Exhibit 5) after making contributions totaling \$4,659,567 to the School Board.

- < As of the close of the current fiscal year; the County's funds reported ending fund balances of \$4,073,534, a decrease of \$321,887 in comparison with the prior year.
- < At the end of the current fiscal year, unreserved fund balance for the general fund was \$3,077,180, or 23% of total general fund expenditures and other uses.
- < The combined long-term obligations increased by \$2,198,230 during the current fiscal year, mostly due to the issuance of a general obligation bond.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

Overview of the Financial Statements (Continued)

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

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

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

Other information - In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information for budgetary comparison schedules and presentation of combining financial statements for the discretely presented component units - School Board, and Industrial Development Authority. The Component Units do 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 \$7,704,809 at the close of the most recent fiscal year. The following table summarizes the County's Statement of Net Assets:

County of Richmond, Virginia's Net Assets

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
Current and other assets	\$ 4,724,690	\$ 5,529,642
Capital assets	<u>10,377,871</u>	<u>9,175,089</u>
Total assets	\$ <u>15,102,561</u>	\$ <u>14,704,731</u>
Current liabilities	\$ 338,535	\$ 1,007,585
Long-term liabilities outstanding	<u>7,059,217</u>	<u>4,860,987</u>
Total liabilities	\$ <u>7,397,752</u>	\$ <u>5,868,572</u>
Net assets:		
Invested in capital assets, net of related debt	\$ 3,500,614	\$ 4,488,367
Unrestricted	<u>4,204,195</u>	<u>4,347,792</u>
Total net assets	\$ <u><u>7,704,809</u></u>	\$ <u><u>8,836,159</u></u>

Government-wide Financial Analysis (Continued)

The County's net assets decreased by \$1,131,350 during the current fiscal year. The following table summarizes the County's Statement of Activities

County of Richmond, Virginia's Changes in Net Assets		
	Governmental Activities	
	2010	2009
Charges for services	\$ 321,894	\$ 390,629
Operating grants and contributions	2,476,553	2,133,243
General property taxes	5,503,475	5,484,432
Other local taxes	1,209,769	1,605,267
Grants and other contributions not restricted	1,152,837	844,261
Other general revenues	166,819	335,770
Total revenues	\$ 10,831,347	\$ 10,793,602
General government administration	\$ 1,247,741	\$ 887,637
Judicial administration	707,540	738,746
Public safety	1,967,062	2,124,489
Public works	826,963	904,776
Health and welfare	1,504,350	1,493,767
Education	4,907,061	4,482,010
Parks, recreation, and cultural	165,934	124,819
Community development	165,662	294,235
Interest and other fiscal charges	470,384	378,731
Total expenses	\$ 11,962,697	\$ 11,429,210
Change in net assets	\$ (1,131,350)	\$ (635,608)
Net assets, beginning of year	8,836,159	9,471,767
Net assets, end of year	\$ 7,704,809	\$ 8,836,159

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 \$4,073,534, a decrease of \$321,887 in comparison with the prior year. Approximately 76% 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 \$880,675 and can be briefly summarized as follows:

- < \$ 613,019 increase in debt service expenditures
- < \$ 128,717 increase in education expenditures
- < \$ 41,987 increase in public works expenditures
- < \$ 38,425 increase in public safety expenditures
- < \$ 58,527 increase in various other expenditures

During the year, revenues and other sources exceeded budgetary estimates by \$1,843,283. Budgetary estimates exceeded expenditures and other uses by \$1,525,972 resulting in a positive variance of \$3,369,255.

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 \$10,377,871 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, and machinery and equipment.

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

Long-term debt - At the end of the current fiscal year, the County had total debt outstanding of \$6,877,257. Of this amount, \$3,458,563 comprises debt backed by the full faith and credit of the County. The remainder of the County's debt represents bonds secured solely by specified revenue sources (i.e., lease/revenue bonds).

The County's total debt increased by \$2,190,535 during the current fiscal year.

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

Economic Factors and Next Year's Budgets and Rates

- < The unemployment rate for the County of 7.8 percent compares to the state's average unemployment rate of 7.1 percent.
- < Inflationary trends in the region compare to national indexes.

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

The fiscal year 2011 budget decreased by approximately 3%. The real estate tax rate increased from \$.70 to \$.79 and all other tax rates remained the same.

Requests for Information

This financial report is designed to provide a general overview of the County of Richmond, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, P.O. Box 1000, Warsaw, Virginia 22572.

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BASIC FINANCIAL STATEMENTS

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

	Primary Government		
	Governmental	Component Units	
	Activities	School Board	IDA
ASSETS			
Cash and cash equivalents	\$ 3,337,258	\$ 245,459	\$ 99,777
Receivables (net of allowance for uncollectibles):			
Taxes receivable	466,092	-	-
Accounts receivable	270,047	-	11,333
Due from other governmental units	651,293	261,952	-
Capital assets (net of accumulated depreciation):			
Land	409,475	64,085	56,739
Buildings and improvements	5,850,609	-	-
Machinery, equipment and vehicles	658,954	892,496	-
Jointly owned assets	3,458,833	2,085,978	-
Total assets	<u>\$ 15,102,561</u>	<u>\$ 3,549,970</u>	<u>\$ 167,849</u>
LIABILITIES			
Accounts payable	\$ 238,248	\$ 8,089	\$ -
Accrued interest payable	82,343	-	-
Due to other governmental units	-	171,240	-
Unearned revenue	17,944	-	-
Long-term liabilities:			
Due within one year	545,939	8,340	-
Due in more than one year	6,513,278	87,056	-
Total liabilities	<u>\$ 7,397,752</u>	<u>\$ 274,725</u>	<u>\$ -</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ 3,500,614	\$ 3,042,559	\$ 56,739
Unrestricted (deficit)	4,204,195	232,686	111,110
Total net assets	<u>\$ 7,704,809</u>	<u>\$ 3,275,245</u>	<u>\$ 167,849</u>

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

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

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions		Primary Government Governmental Activities	Component Units	
			Grants and Contributions	Capital Grants and Contributions		School Board	IDA
PRIMARY GOVERNMENT:							
Governmental activities:							
General government administration	\$ 1,247,741	\$ 12,811	\$ 186,482	\$ -	\$ (1,048,448)		
Judicial administration	707,540	35,950	324,336	-	(347,254)		
Public safety	1,967,062	269,003	1,001,090	-	(696,969)		
Public works	826,963	4,130	-	-	(822,833)		
Health and welfare	1,504,350	-	764,840	-	(739,510)		
Education	4,819,073	-	63,514	-	(4,755,559)		
Parks, recreation, and cultural	165,934	-	-	-	(165,934)		
Community development	165,662	-	117,590	-	(48,072)		
Interest on long-term debt	470,384	-	-	-	(470,384)		
Total governmental activities	\$ 11,874,709	\$ 321,894	\$ 2,457,852	\$ -	\$ (9,094,963)		
Total primary government	\$ 11,874,709	\$ 321,894	\$ 2,457,852	\$ -			
COMPONENT UNITS:							
School Board	\$ 13,020,612	\$ 202,577	\$ 8,130,687	\$ -	\$ (4,687,348)	\$ -	\$ -
IDA	127,027	147,335	-	-	-	-	20,308
Total component units	\$ 13,147,639	\$ 349,912	\$ 8,130,687	\$ -	\$ (4,687,348)	\$ (4,687,348)	\$ 20,308
General revenues:							
General property taxes					\$ 5,503,475	\$ -	\$ -
Other local taxes:							
Local sales and use taxes					1,026,377	-	-
Other local taxes					183,392	-	-
Unrestricted revenues from use of money and property					88,122	158	81
Miscellaneous					78,697	36,491	8,748
Grants and contributions not restricted to specific programs					1,171,538	-	-
Payments from Richmond County					-	4,780,633	-
Total general revenues					\$ 8,051,601	\$ 4,817,282	\$ 8,829
Change in net assets					\$ (1,043,362)	\$ 129,934	\$ 29,137
Net assets - beginning					8,836,159	3,145,311	138,712
Net assets - ending					\$ 7,792,797	\$ 3,275,245	\$ 167,849

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

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

	<u>General</u>	<u>Comprehensive Services Board Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 2,341,594	\$ -	\$ 746,671	\$ 248,993	\$ 3,337,258
Receivables (net of allowance for uncollectibles):					
Taxes receivable	466,092	-	-	-	466,092
Accounts receivable	269,357	-	690	-	270,047
Due from other funds	90,617	-	-	-	90,617
Due from other governmental units	543,204	57,633	-	50,456	651,293
Total assets	<u>\$ 3,710,864</u>	<u>\$ 57,633</u>	<u>\$ 747,361</u>	<u>\$ 299,449</u>	<u>\$ 4,815,307</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 220,776	\$ 17,472	\$ -	\$ -	\$ 238,248
Due to other funds	-	40,161	-	50,456	90,617
Deferred revenue	412,908	-	-	-	412,908
Total liabilities	<u>\$ 633,684</u>	<u>\$ 57,633</u>	<u>\$ -</u>	<u>\$ 50,456</u>	<u>\$ 741,773</u>
Fund balances:					
Unreserved, reported in:					
General fund	\$ 3,077,180	\$ -	\$ -	\$ -	\$ 3,077,180
Special revenue funds	-	-	-	248,993	248,993
Capital projects funds	-	-	747,361	-	747,361
Total fund balances	<u>\$ 3,077,180</u>	<u>\$ -</u>	<u>\$ 747,361</u>	<u>\$ 248,993</u>	<u>\$ 4,073,534</u>
Total liabilities and fund balances	<u>\$ 3,710,864</u>	<u>\$ 57,633</u>	<u>\$ 747,361</u>	<u>\$ 299,449</u>	<u>\$ 4,815,307</u>

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

County of Richmond, 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	\$ 4,073,534
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	10,377,871
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	394,964
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:	
Lease revenue bond	\$ (3,418,694)
State literary loans	(4,089)
General obligations bonds	(3,454,474)
Compensated absences	(147,425)
OPEB liability	(7,200)
Landfill postclosure liability	(27,335)
Accrued interest payable	(82,343)
	<u>(7,141,560)</u>
Net assets of governmental activities	<u>\$ 7,704,809</u>

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

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

	<u>General</u>	<u>Comprehensive Services Board Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
REVENUES					
General property taxes	\$ 5,324,410	\$ -	\$ -	\$ -	\$ 5,324,410
Other local taxes	1,209,769	-	-	-	1,209,769
Permits, privilege fees, and regulatory licenses	53,083	-	-	-	53,083
Fines and forfeitures	31,958	-	-	-	31,958
Revenue from the use of money and property	55,915	-	32,207	-	88,122
Charges for services	236,853	-	-	-	236,853
Miscellaneous	62,314	-	-	16,383	78,697
Recovered costs	629,433	-	-	-	629,433
Intergovernmental revenues:					
Commonwealth	2,659,034	139,643	-	234,398	3,033,075
Federal	205,516	-	-	390,799	596,315
Total revenues	\$ 10,468,285	\$ 139,643	\$ 32,207	\$ 641,580	\$ 11,281,715
EXPENDITURES					
Current:					
General government administration	\$ 1,190,412	\$ -	\$ -	\$ -	\$ 1,190,412
Judicial administration	662,736	-	-	-	662,736
Public safety	2,487,416	-	-	634	2,488,050
Public works	882,014	-	-	-	882,014
Health and welfare	285,162	373,856	-	850,355	1,509,373
Education	4,668,707	-	-	-	4,668,707
Parks, recreation, and cultural	144,436	-	-	-	144,436
Community development	275,542	-	-	-	275,542
Nondepartmental	150,988	-	-	-	150,988
Capital projects	1,344,575	-	-	-	1,344,575
Debt service:					
Principal retirement	369,265	-	-	-	369,265
Interest and other fiscal charges	477,304	-	-	-	477,304
Total expenditures	\$ 12,938,557	\$ 373,856	\$ -	\$ 850,989	\$ 14,163,402
Excess (deficiency) of revenues over (under) expenditures	\$ (2,470,272)	\$ (234,213)	\$ 32,207	\$ (209,409)	\$ (2,881,687)
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 1,714,983	\$ 234,213	\$ -	\$ 208,775	\$ 2,157,971
Transfers out	(442,988)	-	(1,700,354)	(14,629)	(2,157,971)
Issuance of general obligation bonds	2,500,000	-	-	-	2,500,000
Issuance of revenue bonds	59,800	-	-	-	59,800
Total other financing sources (uses)	\$ 3,831,795	\$ 234,213	\$ (1,700,354)	\$ 194,146	\$ 2,559,800
Net change in fund balances	\$ 1,361,523	\$ -	\$ (1,668,147)	\$ (15,263)	\$ (321,887)
Fund balances - beginning	1,715,657	-	2,415,508	264,256	4,395,421
Fund balances - ending	\$ 3,077,180	\$ -	\$ 747,361	\$ 248,993	\$ 4,073,534

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

County of Richmond, Virginia
 Reconciliation of the 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 \$ (321,887)

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 outlay	\$ 1,734,105	
Depreciation expense	(322,269)	
Transfer of joint tenancy assets to Component Unit School Board from Primary Government	(209,054)	1,202,782

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 179,065

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 lease revenue bonds	\$ 266,106	
Principal retirement on general obligation bonds	98,859	
Principal retirement on state literary loans	4,300	
Issuance of lease revenue bonds	(59,800)	
Issuance of general obligation bonds	(2,500,000)	
Decrease in landfill postclosure liability	12,032	(2,178,503)

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:

(Increase) decrease in compensated absences	\$ (12,527)	
(Increase) decrease in OPEB liability	(7,200)	
(Increase) decrease in accrued interest	6,920	(12,807)

Change in net assets of governmental activities \$ (1,131,350)

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

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

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 371,538
Receivables:	
Interest and dividends	53
Total assets	<u>\$ 371,591</u>
LIABILITIES	
Accounts payable	\$ 28,077
Amounts held for social services clients	27,812
Amounts held for Northern Neck Regional Vocational Center	315,702
Total liabilities	<u>\$ 371,591</u>

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

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NOTES TO THE FINANCIAL STATEMENTS

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2010

Note 1—Summary of Significant Accounting Policies:

The County of Richmond, 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, refuse disposal, recreational activities, cultural events, education, and social services.

The financial statements of the County of Richmond, 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.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2010

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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise 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 Richmond (the primary government) and its component units. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

AS OF JUNE 30, 2010

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

The Richmond County Industrial Development Authority is responsible for industrial and commercial development in the County. The Board of Supervisors appoints the Authority board members. 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 Authority does not issue a separate financial report.

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

None

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

AS OF JUNE 30, 2010

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

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.

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.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2010

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

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

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.

Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. The County reports the following as major governmental funds.

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. The Comprehensive Services Board is the County's sole major special revenue fund.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2010

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

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

Capital Projects Funds: Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities.

The County reports the following non-major governmental funds:

The County reports the Virginia Public Assistance, Sheriff's, and E-911 funds as non-major special revenue funds.

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. 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.

F. Investments

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

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

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 \$54,573 at June 30, 2010 and is comprised solely of property taxes.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

AS OF JUNE 30, 2010

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

G. Receivables and payables (Continued)

Real and Personal Property Tax Data:

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

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

The County bills and collects its own property taxes.

H. Capital Assets

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

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

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

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

<u>Assets</u>	<u>Years</u>
Building improvements	50
Vehicles	5
Buses	10
Equipment	10

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2010

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

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 receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as "terminal leave" prior to retirement.

J. Retirement Plan

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

K. Use of Estimates

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

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.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2010

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

N. Long-term Obligations

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

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

Note 2—Stewardship, Compliance, and Accounting:

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

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

Expenditures and Appropriations

Expenditures exceeded appropriations in the CSB fund and Sheriff's funds.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2010

Note 3—Cash and Cash Equivalents:

Deposits

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

Investments

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

Note 4—Due from/to Other Governments:

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

	Primary Government	Component Unit School Board
Other Local Governments:		
Richmond County School Board	\$ 171,240	\$ -
Commonwealth of Virginia:		
Mobile home titling tax	180	-
Recordation tax	4,532	-
Rolling stock tax	676	-
Welfare	20,370	-
State sales Tax	-	176,450
Local sales tax	179,644	-
Constitutional officer reimbursements	92,585	-
Comprehensive services act	57,633	-
Communications tax	54,342	-
Wireless grant	6,198	-
Department of emergency services	5,918	-
Juror claims	1,794	-
Virginia domestic violence grant	19,999	-
Federal Government:		
School fund grants	-	85,502
Ground transportation safety grant	6,096	-
Welfare	30,086	-
Total due from other governments	<u>\$ 651,293</u>	<u>\$ 261,952</u>

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2010

Note 4—Due from/to Other Governments: (Continued)

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

	Primary Government	Component Unit School Board
Other Local Governments:		
County of Richmond	\$ -	\$ 171,240

Note 5—Interfund Obligations:

Details of the Primary Government and School Board's interfund receivables and payables as of June 30, 2010, are as follows:

	Interfund Receivable	Interfund Payable
Primary Government:		
General Fund	\$ 90,617	\$ -
Virginia Public Assistance Fund	-	50,456
Comprehensive Services Act Fund	-	40,161
Total Primary Government Funds	\$ 90,617	\$ 90,617

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2010

Note 6—Capital Assets:

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

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
<i>Primary Government:</i>				
Capital assets not subject to depreciation:				
Land	\$ 409,475	\$ -	\$ -	\$ 409,475
Construction in progress	1,320,190	1,285,975	2,606,165	-
Total capital assets not subject to depreciation	\$ 1,729,665	\$ 1,285,975	\$ 2,606,165	\$ 409,475
Capital assets subject to depreciation:				
Buildings and improvements	\$ 7,039,576	\$ -	\$ -	\$ 7,039,576
Machinery, equipment, & vehicles	829,201	448,130	-	1,277,331
Jointly owned assets	2,651,049	3,965,439	-	6,616,488
Total capital assets subject to depreciation	\$ 10,519,826	\$ 4,413,569	\$ -	\$ 14,933,395
Less accumulated depreciation for:				
Buildings and improvements	\$ 1,028,006	\$ 160,961	\$ -	\$ 1,188,967
Machinery, equipment, & vehicles	457,069	161,308	-	618,377
Jointly owned assets	1,589,327	1,568,328	-	3,157,655
Total accumulated depreciation	\$ 3,074,402	\$ 1,890,597	\$ -	\$ 4,964,999
Total capital assets subject to depreciation, net	\$ 7,445,424	\$ 2,522,972	\$ -	\$ 9,968,396
Governmental activities capital assets, net	\$ 9,175,089	\$ 3,808,947	\$ 2,606,165	\$ 10,377,871

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2010

Note 6—Capital Assets: (Continued)

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
<i>Component Unit-School Board:</i>				
Capital assets not subject to depreciation:				
Land	\$ 64,085	\$ -	\$ -	\$ 64,085
Total capital assets not subject to depreciation	\$ 64,085	\$ -	\$ -	\$ 64,085
Capital assets subject to depreciation:				
Machinery, equipment, & vehicles	\$ 1,913,288	\$ 228,994	\$ -	\$ 2,142,282
Jointly owned assets	5,349,593	-	1,359,274	3,990,319
Total capital assets subject to depreciation	\$ 7,262,881	\$ 228,994	\$ 1,359,274	\$ 6,132,601
Less accumulated depreciation for:				
Machinery, equipment, & vehicles	\$ 1,081,885	\$ 167,901	\$ -	\$ 1,249,786
Jointly owned assets	3,207,128	177,553	1,480,340	1,904,341
Total accumulated depreciation	\$ 4,289,013	\$ 345,454	\$ 1,480,340	\$ 3,154,127
Governmental activities capital assets, net	<u>\$ 3,037,953</u>	<u>\$ (116,460)</u>	<u>\$ (121,066)</u>	<u>\$ 3,042,559</u>

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

Governmental activities:	
General government administration	\$ 4,667
Judicial administration	140,062
Public safety	155,143
Public works	401
Education	1,575,278
Community development	15,046
Total Governmental activities	<u>\$ 1,890,597</u>
Component Unit School Board	<u>\$ 345,454</u>

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2010

Note 7—Interfund Transfers:

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

Fund	Transfers In	Transfers Out
Primary Government:		
General fund	\$ 1,714,983	\$ 442,988
Comprehensive services board fund	234,213	-
Virginia public assistance fund	208,775	-
Capital projects fund	-	1,700,354
Sheriff's funds	-	14,629
Total	<u>\$ 2,157,971</u>	<u>\$ 2,157,971</u>
Component Unit-School Board:		
School Operating fund	\$ -	\$ 284,266
School Cafeteria fund	284,266	-
Total	<u>\$ 284,266</u>	<u>\$ 284,266</u>

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

Note 8—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:					
Claims, judgments and compensated absences payable	\$ 134,898	\$ 26,017	\$ 13,490	\$ 147,425	\$ 14,743
Lease revenue bonds payable	3,625,000	59,800	266,106	3,418,694	280,066
OPEB liability	-	11,900	4,700	7,200	-
Landfill post closure care	39,367	-	12,032	27,335	-
Total incurred by County	<u>\$ 3,799,265</u>	<u>\$ 97,717</u>	<u>\$ 296,328</u>	<u>\$ 3,600,654</u>	<u>\$ 294,809</u>
Incurred by School Board:					
State Literary Fund Loans	\$ 8,389	\$ -	\$ 4,300	\$ 4,089	\$ 4,089
General obligation bonds	1,053,333	2,500,000	98,859	3,454,474	247,041
Total incurred by School Board	<u>\$ 1,061,722</u>	<u>\$ 2,500,000</u>	<u>\$ 103,159</u>	<u>\$ 3,458,563</u>	<u>\$ 251,130</u>
Total Governmental Obligations	<u>\$ 4,860,987</u>	<u>\$ 2,597,717</u>	<u>\$ 399,487</u>	<u>\$ 7,059,217</u>	<u>\$ 545,939</u>

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2010

Note 8—Long-Term Obligations: (Continued)

Primary Government: (Continued)

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

County Obligations				
Year Ending June 30	Lease Revenue Bonds Payable			
	Principal	Interest		
2011	\$ 280,066	\$ 148,422		
2012	292,272	136,253		
2013	305,487	123,553		
2014	318,710	110,280		
2015	332,943	96,433		
2016	347,185	81,965		
2017	362,437	66,880		
2018	377,700	51,131		
2019	393,972	34,720		
2020	407,922	18,621		
Total	<u>\$ 3,418,694</u>	<u>\$ 868,258</u>		

School Obligations				
Year Ending June 30	State Literary Fund Loans		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2011	\$ 4,089	\$ 163	\$ 247,041	\$ 44,343
2012	-	-	248,218	39,716
2013	-	-	249,449	35,035
2014	-	-	250,739	30,295
2015	-	-	252,359	25,225
2016-2020	-	-	1,177,257	45,636
2021-2025	-	-	735,295	-
2026-2027	-	-	294,116	-
Total	<u>\$ 4,089</u>	<u>\$ 163</u>	<u>\$ 3,454,474</u>	<u>\$ 220,250</u>

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2010

Note 8—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Long-Term Obligations:

Incurring by County:

Lease Revenue Bonds:

\$4,575,000 IDA bonds issued September 2, 2004, due in annual principal installments through February 1, 2020, interest payable semi-annually at 4.35%.

Total
Amount

\$ 3,361,000

\$59,800 USDA revenue bonds issued January 29, 2010, due in monthly principal installments through January 31, 2010, interest payable monthly at 4%.

57,694

Total Lease Revenue Bonds

\$ 3,418,694

Landfill post closure care (payable by General Fund)

\$ 27,335

Compensated absences (payable by General Fund)

\$ 147,425

OPEB liability (payable by General Fund)

\$ 7,200

Total incurred by County

\$ 3,600,654

Total
Amount

Incurring by School Board:

State Literary Fund Loans:

\$85,789 issued March 15, 1992, due in annual installments of \$4,300 through March 15, 2011, interest payable at 4%.

\$ 4,089

General Obligation Bonds:

\$1,999,022 School bonds issued November 19, 1998, due in annual principal installments through January 15, 2019, interest payable semi-annually ranges from 3.6% to 5.1%.

\$ 954,474

\$2,500,000 School bonds issued September 1, 2010, due in annual principal installments through September 1, 2026. This bond is interest-free.

2,500,000

Total General Obligation Bonds

\$ 3,454,474

Total incurred by School Board

\$ 3,458,563

Total Long-Term Obligations, Primary Government

\$ 7,059,217

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2010

Note 8—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
Component Unit-School Board:					
Compensated absences	\$ 201,515	\$ -	\$ 118,119	\$ 83,396	\$ 8,340
OPEB liability	-	53,900	41,900	12,000	-
Total Component Unit-School Board	<u>\$ 201,515</u>	<u>\$ 53,900</u>	<u>\$ 160,019</u>	<u>\$ 95,396</u>	<u>\$ 8,340</u>

Note 9—Northern Neck Regional Jail Lease Agreement:

On June 29, 2000, Richmond County, along with Westmoreland County signed a financing lease agreement with the County of Northumberland for lease of Northern Neck Regional Jail. Presently, Richmond County owns 32% and Westmoreland County owns 68% of the jail. The lease term expires on December 15, 2015. At the end of this term, the ownership in the jail will be reallocated as follows: 25% to Richmond County, 25% to Northumberland County, and 50% to Westmoreland County.

Future minimum lease payments to be received as of June 30, 2010 are as follows:

Year Ending June 30	
2011	\$ 124,800
2012	124,800
2013	124,800
2014	124,800
2015	124,800
2016	<u>124,800</u>
Total minimum future lease payments to be received	<u>\$ 748,800</u>

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2010

Note 10—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 \$412,908 is comprised of the following:

Deferred Property Tax Revenue - Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$394,964 at June 30, 2010.

Prepaid Property Taxes - Property taxes due subsequent to June 30, 2010 but paid in advance by the taxpayers totaled \$17,944 at June 30, 2010.

Note 11—Commitments and Contingent Liabilities:

Federal programs in which the County and all discretely presented component units participate were audited in accordance with the provisions of the 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.

The following contract was outstanding at June 30, 2010:

Project	Contractor	Contract	Amount Remaining
Elementary and High School renovations	Comfort Systems of Virginia, Inc.	\$ 2,233,904	\$ 113,500

Note 12—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.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

AS OF JUNE 30, 2010

Note 13 –Risk Management:

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

The County is a member of the VACO 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 VACO contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the Association and claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the Association may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The County continues to carry commercial insurance for all other risks of loss. During the last three fiscal years, settled claims from these risks have not exceeded commercial coverage.

Note 14–Defined Benefit Pension Plan:

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.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

AS OF JUNE 30, 2010

Note 14—Defined Benefit Pension Plan: (Continued)

A. Plan Description (Continued)

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.

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 were 8.53% and 9.94% of annual covered payroll, respectively.

The Richmond County School Board professional employees current rate is 8.81% from July 2009 through March 2010 and (0.00%) from April through June 2010 of annual covered payroll. The contribution requirements of plan members and Richmond 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 ended June 30, 2010, 2009, and 2008 were \$531,769, \$526,582, and \$573,652, respectively, and equal to the required contributions for each year.

C. Annual Pension Cost

For fiscal year 2010, the County's annual pension cost of \$334,429 (which includes the portion of the employee share assumed by the County which was \$123,588) was equal to the County's required and actual contributions.

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2010

Note 14—Defined Benefit Pension Plan: (Continued)

C. Annual Pension Cost (Continued)

For fiscal year 2010, the County School Board's annual pension cost for the Board's non-professional employees was \$37,225 (which includes the portion of the employees share assumed by the Board which was \$12,458) 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	\$ 210,841	100%	\$ -
June 30, 2009	198,153	100%	-
June 30, 2008	121,997	100%	-
School Board:			
Non-Professional:			
June 30, 2010	\$ 24,767	100%	\$ -
June 30, 2009	22,757	100%	-
June 30, 2008	20,911	100%	-

(1) Employer portion only

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 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 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.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2010

Note 14—Defined Benefit Pension Plan: (Continued)

D. Funded Status and Funding Progress

As of June 30, 2009, the most recent actuarial valuation date, the plan was 88.55% funded. The actuarial accrued liability for benefits was \$9,863,000, and the actuarial value of assets was \$8,734,052, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,128,948. The covered payroll (annual payroll of active employees covered by the plan) was \$2,456,244, and ratio of the UAAL to covered payroll was 45.96%.

As of June 30, 2009, the most recent actuarial valuation date, the School Board's Non-Professional plan was 82.48% funded. The actuarial accrued liability for benefits was \$655,263, and the actuarial value of assets was \$540,474, resulting in an unfunded actuarial accrued liability (UAAL) of \$114,789. The covered payroll (annual payroll of active employees covered by the plan) was \$228,945, and ratio of the UAAL to the covered payroll was 50.14%.

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 15—Surety Bonds:

	<u>Amount</u>
Fidelity and Deposit Company of Maryland - Surety:	
Rosa S. Forrester, Clerk of Circuit Court	\$ 103,000
Edith Anne Sanders, Treasurer	300,000
Vickie W. Lewis, Commissioner of the Revenue	3,000
Douglas A. Bryant, Sheriff	30,000
The above constitutional officer's employee - blanket bond	50,000
The Cincinnati Insurance Company - Surety:	
Randall W. Packett, Jr., Supervisor	2,000
Randy L. Phelps, Supervisor	2,000
Richard E. Thomas, Sr., Supervisor	2,000
Courtney M. Sisson, Supervisor	2,000
F. Lee Sanders, Supervisor	2,000
Marilyn Barr, Superintendent of Schools	10,000
Edith L. Williams, Director of Finance, School Board	10,000
Janet B. Rice, Assistant Director of Finance, School Board	10,000
All Department of Social Services Employees-blanket bond	100,000

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2010

Note 16—Landfill Postclosure Costs:

The County, which operates a joint landfill with Northumberland and Lancaster Counties, closed the landfill and is liable for postclosure monitoring for a period of eight years plus an additional four years of corrective action monitoring. The amount reported as landfill postclosure liability at June 30, 2010, represents one third of the total liability for postclosure monitoring. The County's portion is \$27,335 over a period of 2 years. This amount is based on what it would cost to perform all postclosure care in 2010. The total current cost of landfill post-closure care is an estimate subject to change resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

The County demonstrated financial assurance for closure, postclosure 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 17—Postemployment Benefits Other Than Pensions:

Plan Description

The County allows retirees that retire at the age of 55 with at least 30 years of service with the County or 65 with at least 5 years of service with the County to remain on their health insurance plan. Health benefits include medical and dental. The retiree is responsible for 100% of the premium which is paid directly to Anthem. Benefits are offered to the retiree and spouse for the lifetime of the retiree.

The School Board allows retirees that retire at the age of 50 with a least 12 consecutive years of service to remain on their health insurance plan until the age of 65. This coverage is at the retiree's own expense. Health benefits include medical only.

The School Board allows retirees that retire at the age of 55 with at least 12 consecutive years of service to remain on their health insurance plan until the age of 65. The School Board pays a portion of each retiree's premium at a rate to be determined annually by the School Board. Health benefits include medical only.

Funding Policy

The funding policies of both groups of retirees are described above. The Schools currently have 8 retirees and 3 spouses on their plan. The County has 1 retiree with 0 spouses.

Annual OPEB Cost and Net OPEB Obligation

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

AS OF JUNE 30, 2010

Note 17--Postemployment Benefits Other Than Pensions: (Continued)

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

	Primary Government	Component Unit School Board
Annual required contribution	\$ 11,900	\$ 53,900
Annual OPEB cost (expense)	\$ 11,900	\$ 53,900
Estimated Contributions made	(4,700)	(41,900)
Increase in net OPEB obligation	7,200	12,000
Net OPEB obligation-beginning of year	-	-
Net OPEB obligation-end of year	\$ 7,200	\$ 12,000

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
County:			
6/30/2010	\$ 11,900	39.50%	\$ 7,200
Schools:			
6/30/2010	\$ 53,900	77.74%	\$ 12,000

Funded Status and Funding Progress

As of June 30, 2010, the County's actuarial accrued liability for benefits was \$94,400, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$2,615,600, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 3.61 percent.

As of June 30, 2010 the School Board's actuarial accrued liability for benefits was \$594,800, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$6,648,200, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 8.95 percent.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

AS OF JUNE 30, 2010

Note 17-Postemployment Benefits Other Than Pensions: (Continued)

Funded Status and Funding Progress (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples 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.

Actuarial Methods and Assumptions

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

The following simplifying assumptions were made:

Retirement age for active employees-Retirement 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 RP-2000 Combined Healthy mortality tables for males and females projected to 2010 using Scale AA.

Coverage elections -The actuary assumed that 30% of eligible retirees will elect coverage and that 30% of retirees who elect coverage will cover a spouse.

Based on the historical and expected returns of the County's short-term investment portfolio, a discount of 4.0% was used. In addition, the projected unit credit actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2010 was thirty years.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2010

Note 18-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 13.

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 \$44,884, \$64,553, and \$64,606, respectively and equaled the required contributions for each year.

REQUIRED SUPPLEMENTARY INFORMATION

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION:

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

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

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
General property taxes	\$ 5,149,600	\$ 5,149,600	\$ 5,324,410	\$ 174,810
Other local taxes	1,872,000	1,872,000	1,209,769	(662,231)
Permits, privilege fees, and regulatory licenses	57,820	57,820	53,083	(4,737)
Fines and forfeitures	48,500	48,500	31,958	(16,542)
Revenue from the use of money and property	144,000	144,000	55,915	(88,085)
Charges for services	438,550	438,550	236,853	(201,697)
Miscellaneous	277,000	277,000	62,314	(214,686)
Recovered costs	140,550	140,550	629,433	488,883
Intergovernmental revenues:				
Commonwealth	2,333,265	2,333,265	2,659,034	325,769
Federal	38,500	38,500	205,516	167,016
Total revenues	\$ 10,499,785	\$ 10,499,785	\$ 10,468,285	\$ (31,500)
EXPENDITURES				
Current:				
General government administration	\$ 933,386	\$ 938,126	\$ 1,190,412	\$ (252,286)
Judicial administration	659,361	674,508	662,736	11,772
Public safety	2,325,865	2,364,290	2,487,416	(123,126)
Public works	956,916	998,903	882,014	116,889
Health and welfare	306,500	307,115	285,162	21,953
Education	4,825,211	4,953,928	4,668,707	285,221
Parks, recreation, and cultural	143,787	144,436	144,436	-
Community development	331,601	331,601	275,542	56,059
Nondepartmental	139,784	177,160	150,988	26,172
Capital projects	2,400,000	2,400,000	1,344,575	1,055,425
Debt service:				
Principal retirement	369,265	369,265	369,265	-
Interest and other fiscal charges	206,334	819,353	477,304	342,049
Total expenditures	\$ 13,598,010	\$ 14,478,685	\$ 12,938,557	\$ 1,540,128
Excess (deficiency) of revenues over (under) expenditures	\$ (3,098,225)	\$ (3,978,900)	\$ (2,470,272)	\$ 1,508,628
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 2,400,000	\$ 2,400,000	\$ 1,714,983	\$ (685,017)
Transfers out	(265,143)	(428,832)	(442,988)	(14,156)
Issuance of general obligation bonds	-	-	2,500,000	2,500,000
Issuance of revenue bonds	-	-	59,800	59,800
Total other financing sources and uses	\$ 2,134,857	\$ 1,971,168	\$ 3,831,795	\$ 1,860,627
Net change in fund balances	\$ (963,368)	\$ (2,007,732)	\$ 1,361,523	\$ 3,369,255
Fund balances - beginning	963,368	2,007,732	1,715,657	(292,075)
Fund balances - ending	\$ -	\$ -	\$ 3,077,180	\$ 3,077,180

County of Richmond, Virginia
 Comprehensive Services Board Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Intergovernmental revenues:				
Commonwealth	\$ 298,500	\$ 298,500	\$ 139,643	\$ (158,857)
Total revenues	\$ 298,500	\$ 298,500	\$ 139,643	\$ (158,857)
EXPENDITURES				
Current:				
Health and welfare	\$ 180,000	\$ 365,332	\$ 373,856	\$ (8,524)
Total expenditures	\$ 180,000	\$ 365,332	\$ 373,856	\$ (8,524)
Excess (deficiency) of revenues over (under) expenditures	\$ 118,500	\$ (66,832)	\$ (234,213)	\$ (167,381)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 66,832	\$ 234,213	\$ 167,381
Total other financing sources and uses	\$ -	\$ 66,832	\$ 234,213	\$ 167,381
Net change in fund balances	\$ 118,500	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ 118,500	\$ -	\$ -	\$ -

County of Richmond, Virginia
Schedule of Pension Funding Progress
For the Year Ended June 30, 2010

County:

Valuation as of	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio Assets at % of AAL (2) (3)	Annual Covered Payroll	UAAL as % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2009	\$ 8,734,052	\$ 9,863,000	\$ 1,128,948	88.55%	\$ 2,456,244	45.96%
6/30/2008	8,532,233	9,262,933	730,700	92.11%	2,127,903	34.34%
6/30/2007	7,740,387	8,633,854	893,467	89.65%	1,956,094	45.68%
6/30/2006	6,931,706	7,163,713	232,007	96.76%	1,773,061	13.09%
6/30/2005	6,525,512	7,225,709	700,197	90.31%	1,724,502	40.60%
6/30/2004	6,343,256	6,606,913	263,657	96.01%	1,514,724	17.41%
6/30/2003	6,269,649	6,110,986	(158,663)	102.60%	1,539,826	-10.30%

School Board Non-Professionals:

Valuation as of	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio Assets at % of AAL (2) (3)	Annual Covered Payroll	UAAL as % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2009	\$ 540,474	\$ 655,263	\$ 114,789	82.48%	\$ 228,945	50.14%
6/30/2008	504,673	627,708	123,035	80.40%	182,475	67.43%
6/30/2007	442,549	550,270	107,721	80.42%	181,725	59.28%
6/30/2006	380,275	502,018	121,743	75.75%	170,735	71.31%
6/30/2005	356,679	478,564	121,885	74.53%	159,005	76.65%
6/30/2004	348,153	354,219	6,066	98.29%	155,185	3.91%
6/30/2003	331,588	291,440	(40,148)	113.78%	126,473	-31.74%

County of Richmond, Virginia

Schedule of Funding Progress for Retiree Health Insurance Plan

For the Year Ended June 30, 2010

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded (Excess Funded) Actuarial Accrued Liability (UAAL) (3-2)	Funded Ratio (2)/(3)	Annual Covered Payroll	UAAL as % of Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Primary Government:						
6/30/2010 \$	- \$	94,400 \$	94,400	0.00% \$	2,615,600	3.61%
Discretely Presented Component Unit:						
6/30/2010 \$	- \$	594,800 \$	594,800	0.00% \$	6,648,200	8.95%

OTHER SUPPLEMENTARY INFORMATION

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 32,207	\$ 32,207
Total revenues	\$ -	\$ -	\$ 32,207	\$ 32,207
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 32,207	\$ 32,207
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (2,400,000)	\$ (2,400,000)	\$ (1,700,354)	\$ 699,646
Total other financing sources and uses	\$ (2,400,000)	\$ (2,400,000)	\$ (1,700,354)	\$ 699,646
Net change in fund balances	\$ (2,400,000)	\$ (2,400,000)	\$ (1,668,147)	\$ 731,853
Fund balances - beginning	2,400,000	2,400,000	2,415,508	15,508
Fund balances - ending	\$ -	\$ -	\$ 747,361	\$ 747,361

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

	Virginia Public Assistance <u>Fund</u>	Sheriff's <u>Funds</u>	E-911 <u>Fund</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ -	\$ 1,980	\$ 247,013	\$ 248,993
Due from other governmental units	50,456	-	-	50,456
Total assets	<u>\$ 50,456</u>	<u>\$ 1,980</u>	<u>\$ 247,013</u>	<u>\$ 299,449</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	\$ 50,456	\$ -	\$ -	\$ 50,456
Total liabilities	<u>\$ 50,456</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,456</u>
Fund balances:				
Unreserved:				
Undesignated	\$ -	\$ 1,980	\$ 247,013	\$ 248,993
Total fund balances	<u>\$ -</u>	<u>\$ 1,980</u>	<u>\$ 247,013</u>	<u>\$ 248,993</u>
Total liabilities and fund balances	<u>\$ 50,456</u>	<u>\$ 1,980</u>	<u>\$ 247,013</u>	<u>\$ 299,449</u>

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

	Virginia Public Assistance Fund	Sheriff's Funds	E-911 Fund	Total
REVENUES				
Miscellaneous	\$ 16,383	\$ -	\$ -	\$ 16,383
Intergovernmental revenues:				
Commonwealth	234,398	-	-	234,398
Federal	390,799	-	-	390,799
Total revenues	<u>\$ 641,580</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 641,580</u>
EXPENDITURES				
Current:				
Public safety	\$ -	\$ 634	\$ -	\$ 634
Health and welfare	850,355	-	-	850,355
Total expenditures	<u>\$ 850,355</u>	<u>\$ 634</u>	<u>\$ -</u>	<u>\$ 850,989</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (208,775)</u>	<u>\$ (634)</u>	<u>\$ -</u>	<u>\$ (209,409)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 208,775	\$ -	\$ -	\$ 208,775
Transfers out	-	(14,629)	-	(14,629)
Total other financing sources and uses	<u>\$ 208,775</u>	<u>\$ (14,629)</u>	<u>\$ -</u>	<u>\$ 194,146</u>
Net change in fund balances	\$ -	\$ (15,263)	\$ -	\$ (15,263)
Fund balances - beginning	-	17,243	247,013	264,256
Fund balances - ending	<u>\$ -</u>	<u>\$ 1,980</u>	<u>\$ 247,013</u>	<u>\$ 248,993</u>

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

	Virginia Public Assistance Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 16,383	\$ 16,383
Intergovernmental revenues:				
Commonwealth	228,000	228,000	234,398	6,398
Federal	430,000	430,000	390,799	(39,201)
Total revenues	<u>\$ 658,000</u>	<u>\$ 658,000</u>	<u>\$ 641,580</u>	<u>\$ (16,420)</u>
EXPENDITURES				
Current:				
Health and welfare	\$ 923,143	\$ 1,020,000	\$ 850,355	\$ 169,645
Total expenditures	<u>\$ 923,143</u>	<u>\$ 1,020,000</u>	<u>\$ 850,355</u>	<u>\$ 169,645</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (265,143)</u>	<u>\$ (362,000)</u>	<u>\$ (208,775)</u>	<u>\$ 153,225</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 265,143	\$ 362,000	\$ 208,775	\$ (153,225)
Total other financing sources and uses	<u>\$ 265,143</u>	<u>\$ 362,000</u>	<u>\$ 208,775</u>	<u>\$ (153,225)</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Agency Funds						Total
	Library	Special Welfare	Regional Vocational Center	Local Sales Tax Fund	Payroll Liability Fund		
ASSETS							
Cash and cash equivalents	\$ 28,024	\$ 27,812	\$ 315,702	\$ -	\$ -	\$ -	\$ 371,538
Receivables:							
Interest and dividends	53	-	-	-	-	-	53
Total assets	\$ 28,077	\$ 27,812	\$ 315,702	\$ -	\$ -	\$ -	\$ 371,591
LIABILITIES							
Accounts payable	\$ 28,077	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,077
Amounts held for social services clients	-	27,812	-	-	-	-	27,812
Amounts held for Northern Neck Regional Vocational Center	-	-	315,702	-	-	-	315,702
Total liabilities	\$ 28,077	\$ 27,812	\$ 315,702	\$ -	\$ -	\$ -	\$ 371,591

County of Richmond, Virginia
Combining 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
Library:				
ASSETS				
Cash and cash equivalents	\$ 27,382	\$ 123,278	\$ 122,636	\$ 28,024
Receivables:				
Interest and dividends	54	-	1	53
Total assets	<u>\$ 27,436</u>	<u>\$ 123,278</u>	<u>\$ 122,637</u>	<u>\$ 28,077</u>
LIABILITIES				
Accounts payable	<u>\$ 27,436</u>	<u>\$ 123,278</u>	<u>\$ 122,637</u>	<u>\$ 28,077</u>
Special Welfare:				
ASSETS				
Cash and cash equivalents	\$ 33,507	\$ 4,539	\$ 10,234	\$ 27,812
Receivables:				
Interest and dividends	3	-	3	-
Total assets	<u>\$ 33,510</u>	<u>\$ 4,539</u>	<u>\$ 10,237</u>	<u>\$ 27,812</u>
LIABILITIES				
Amounts held for social services clients	<u>\$ 33,510</u>	<u>\$ 4,539</u>	<u>\$ 10,237</u>	<u>\$ 27,812</u>
Northern Neck Regional Vocational Center:				
ASSETS				
Cash and cash equivalents	\$ 181,970	\$ 1,933,517	\$ 1,799,785	\$ 315,702
Receivables:				
Interest and dividends	314	-	314	-
Total assets	<u>\$ 182,284</u>	<u>\$ 1,933,517</u>	<u>\$ 1,800,099</u>	<u>\$ 315,702</u>
LIABILITIES				
Amounts held for Northern Neck Regional Vocational Center	<u>\$ 182,284</u>	<u>\$ 1,933,517</u>	<u>\$ 1,800,099</u>	<u>\$ 315,702</u>

County of Richmond, Virginia
Combining 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
<u>Payroll Liability Fund:</u>				
ASSETS				
Cash and cash equivalents	\$ 654	\$ -	\$ 654	\$ -
LIABILITIES				
Amounts held for others	\$ 654	\$ -	\$ 654	\$ -
<u>Total - All Agency Funds:</u>				
ASSETS				
Cash and cash equivalents	\$ 243,513	\$ 2,061,334	\$ 1,933,309	\$ 371,538
Receivables:				
Interest and dividends	371	-	318	53
Total assets	\$ 243,884	\$ 2,061,334	\$ 1,933,627	\$ 371,591
LIABILITIES				
Accounts payable	\$ 27,436	\$ 123,278	\$ 122,637	\$ 28,077
Amounts held for social services clients	33,510	4,539	10,237	27,812
Amounts held for Northern Neck Regional Vocational Center	182,284	1,933,517	1,800,099	315,702
Amounts held for others	654	-	654	-
Total liabilities	\$ 243,884	\$ 2,061,334	\$ 1,933,627	\$ 371,591

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

	School Operating <u>Fund</u>	School Cafeteria <u>Fund</u>	Title I <u>Fund</u>	Total Governmental <u>Funds</u>
ASSETS				
Cash and cash equivalents	\$ -	\$ 217,803	\$ 27,656	\$ 245,459
Due from other funds	-	21,721	-	21,721
Due from other governmental units	201,050	-	60,902	261,952
Total assets	<u>\$ 201,050</u>	<u>\$ 239,524</u>	<u>\$ 88,558</u>	<u>\$ 529,132</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 8,089	\$ -	\$ -	\$ 8,089
Due to other funds	21,721	-	-	21,721
Due to other governmental units	171,240	-	-	171,240
Total liabilities	<u>\$ 201,050</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 201,050</u>
Fund balances:				
Unreserved:				
Undesignated	\$ -	\$ 239,524	\$ 88,558	\$ 328,082
Total fund balances	<u>\$ -</u>	<u>\$ 239,524</u>	<u>\$ 88,558</u>	<u>\$ 328,082</u>
Total liabilities and fund balances	<u>\$ 201,050</u>	<u>\$ 239,524</u>	<u>\$ 88,558</u>	<u>\$ 529,132</u>

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

Total fund balances per above \$ 328,082

Capital assets used in governmental activities are not financial resources and, therefore,
are not reported in the funds. 3,042,559

Long-term liabilities, including compensated absences, are not due and payable in the current
period and, therefore, are not reported in the funds. (95,396)

Net assets of governmental activities \$ 3,275,245

***DISCRETELY PRESENTED COMPONENT UNIT
SCHOOL BOARD***

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

	School Operating Fund	School Cafeteria Fund	Title I Fund	Total Governmental Funds
REVENUES				
Revenue from the use of money and property	\$ -	\$ 129	\$ 29	\$ 158
Charges for services	-	202,577	-	202,577
Miscellaneous	29,776	6,715	-	36,491
Intergovernmental revenues:				
Local government	4,659,567	-	-	4,659,567
Commonwealth	6,469,574	-	-	6,469,574
Federal	1,267,404	25,353	368,356	1,661,113
Total revenues	\$ 12,426,321	\$ 234,774	\$ 368,385	\$ 13,029,480
EXPENDITURES				
Current:				
Education	\$ 12,142,055	\$ 499,859	\$ 368,357	\$ 13,010,271
Total expenditures	\$ 12,142,055	\$ 499,859	\$ 368,357	\$ 13,010,271
Excess (deficiency) of revenues over (under) expenditures	\$ 284,266	\$ (265,085)	\$ 28	\$ 19,209
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 284,266	\$ -	\$ 284,266
Transfers out	(284,266)	-	-	(284,266)
Total other financing sources and uses	\$ (284,266)	\$ 284,266	\$ -	\$ -
Net change in fund balances	\$ -	\$ 19,181	\$ 28	\$ 19,209
Fund balances - beginning	-	220,343	88,530	308,873
Fund balances - ending	\$ -	\$ 239,524	\$ 88,558	\$ 328,082
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			\$	19,209
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 outlay			\$	228,994
Depreciation expense				(433,442)
Transfer of joint tenancy assets to Component Unit School Board from Primary Government				209,054
				4,606
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.				
Decrease (increase) in compensated absences			\$	118,119
Decrease (increase) in OPEB liability				(12,000)
Change in net assets of governmental activities			\$	129,934

County of Richmond, 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				Title I Fund				School Cafeteria Fund			
	Budgeted Amounts		Actual		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
REVENUES												
Revenue from the use of money and property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29	\$ 29	\$ -	\$ -	\$ 129	\$ 129
Charges for services	-	-	-	-	-	-	-	-	210,000	210,000	202,577	(7,423)
Miscellaneous	12,911	12,911	29,776	16,865	-	-	-	-	-	-	6,715	6,715
Intergovernmental revenues:												
Local government	4,816,071	4,944,788	4,659,567	(285,221)	-	-	-	-	-	-	-	-
Commonwealth	6,820,129	6,820,129	6,469,574	(350,555)	-	-	-	-	-	-	-	-
Federal	1,079,859	1,079,859	1,267,404	187,545	-	368,356	368,356	-	-	-	25,353	25,353
Total revenues	\$ 12,728,970	\$ 12,857,687	\$ 12,426,321	\$ (431,366)	\$ -	\$ 368,356	\$ 368,385	\$ 29	\$ 210,000	\$ 210,000	\$ 234,774	\$ 24,774
EXPENDITURES												
Current:												
Education	\$ 12,728,970	\$ 12,857,687	\$ 12,142,055	\$ 715,632	\$ -	\$ 368,356	\$ 368,357	\$ (1)	\$ -	\$ -	\$ 499,859	\$ (499,859)
Total expenditures	\$ 12,728,970	\$ 12,857,687	\$ 12,142,055	\$ 715,632	\$ -	\$ 368,356	\$ 368,357	\$ (1)	\$ -	\$ -	\$ 499,859	\$ (499,859)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 284,266	\$ 284,266	\$ -	\$ -	\$ 28	\$ 28	\$ 210,000	\$ 210,000	\$ (265,085)	\$ (475,085)
OTHER FINANCING SOURCES (USES)												
Transfers out	\$ -	\$ -	\$ (284,266)	\$ (284,266)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 284,266	\$ 284,266
Total other financing sources and uses	\$ -	\$ -	\$ (284,266)	\$ (284,266)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 284,266	\$ 284,266
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28	\$ 28	\$ 210,000	\$ 210,000	\$ 19,181	\$ (190,819)
Fund balances - beginning	-	-	-	-	-	-	88,530	88,530	(210,000)	(210,000)	220,343	430,343
Fund balances - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 88,558	\$ 88,558	\$ -	\$ -	\$ 239,524	\$ 239,524

***DISCRETELY PRESENTED COMPONENT UNIT
INDUSTRIAL DEVELOPMENT AUTHORITY***

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County of Richmond, Virginia
 Balance Sheet
 Discretely Presented Component Unit - Industrial Development Authority
 June 30, 2010

	Industrial Development <u>Authority</u>
ASSETS	
Cash and cash equivalents	\$ 99,777
Receivables (net of allowance for uncollectibles):	
Accounts receivable	11,333
Capital assets:	
Land	56,739
Total assets	<u>\$ 167,849</u>
NET ASSETS	
Invested in capital assets, net of related debt	\$ 56,739
Unrestricted	111,110
Total net assets	<u>\$ 167,849</u>

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

	Industrial Development <u>Authority</u>
OPERATING REVENUES	
Charges for services:	
Rents	\$ 147,335
Miscellaneous	8,748
Total operating revenues	<u>\$ 156,083</u>
OPERATING EXPENSES	
Other charges	\$ 127,027
Total operating expenses	<u>\$ 127,027</u>
Operating income (loss)	<u>\$ 29,056</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	\$ 81
Total nonoperating revenues (expenses)	<u>\$ 81</u>
Changes in net assets	<u>\$ 29,137</u>
Net change in net assets	\$ 29,137
Net assets - beginning	138,712
Net assets - ending	<u><u>\$ 167,849</u></u>

County of Richmond, 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	\$ 156,083
Other receipts (payments)	<u>(127,027)</u>
Net cash provided (used) by operating activities	<u>\$ 29,056</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest and dividends received	\$ 81
Net cash provided (used) by investing activities	<u>\$ 81</u>

Net increase (decrease) in cash and cash equivalents \$ 29,137

Cash and cash equivalents - beginning	70,640
Cash and cash equivalents - ending	<u><u>\$ 99,777</u></u>

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SUPPORTING SCHEDULES

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

Schedule 1
Page 1 of 7

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 3,695,600	\$ 3,695,600	\$ 3,599,969	\$ (95,631)
Real and personal public service corporation taxes	170,000	170,000	149,188	(20,812)
Personal property taxes	1,110,000	1,110,000	1,417,565	307,565
Mobile home taxes	23,000	23,000	8,935	(14,065)
Merchant's capital taxes	51,000	51,000	55,990	4,990
Machinery and tools taxes	16,500	16,500	12,772	(3,728)
Penalties	54,000	54,000	53,692	(308)
Interest	29,500	29,500	26,299	(3,201)
Total general property taxes	<u>\$ 5,149,600</u>	<u>\$ 5,149,600</u>	<u>\$ 5,324,410</u>	<u>\$ 174,810</u>
Other local taxes:				
Local sales and use taxes	\$ 1,285,000	\$ 1,285,000	\$ 1,026,377	\$ (258,623)
Consumers' utility taxes	285,000	285,000	123,123	(161,877)
Consumption tax	20,000	20,000	20,554	554
Motor vehicle licenses	210,000	210,000	-	(210,000)
Taxes on recordation and wills	72,000	72,000	39,715	(32,285)
Total other local taxes	<u>\$ 1,872,000</u>	<u>\$ 1,872,000</u>	<u>\$ 1,209,769</u>	<u>\$ (662,231)</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 7,500	\$ 7,500	\$ 11,263	\$ 3,763
Transfer fees	350	350	250	(100)
Permits and other licenses	49,970	49,970	41,570	(8,400)
Total permits, privilege fees, and regulatory licenses	<u>\$ 57,820</u>	<u>\$ 57,820</u>	<u>\$ 53,083</u>	<u>\$ (4,737)</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 48,500	\$ 48,500	\$ 31,958	\$ (16,542)
Revenue from use of money and property:				
Revenue from use of money	\$ 126,000	\$ 126,000	\$ 37,113	\$ (88,887)
Revenue from use of property	18,000	18,000	18,802	802
Total revenue from use of money and property	<u>\$ 144,000</u>	<u>\$ 144,000</u>	<u>\$ 55,915</u>	<u>\$ (88,085)</u>
Charges for services:				
Sheriff's fees	\$ 1,500	\$ 1,500	\$ 1,041	\$ (459)
Charges for courthouse maintenance	16,000	16,000	4,130	(11,870)
Charges for courthouse security	22,000	22,000	22,096	96
Charges for other court costs	850	850	3,606	2,756
Charges for Commonwealth's Attorney	300	300	386	86

County of Richmond, Virginia
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Charges for services: (Continued)				
Charges for EMS billings	\$ 395,000	\$ 395,000	\$ 188,581	\$ (206,419)
Charges for correction and detention	-	-	1,910	1,910
Charges for other protection	2,900	2,900	2,292	(608)
Charges for DMV fees	-	-	12,811	12,811
Total charges for services	<u>\$ 438,550</u>	<u>\$ 438,550</u>	<u>\$ 236,853</u>	<u>\$ (201,697)</u>
Miscellaneous revenue:				
Miscellaneous	<u>\$ 277,000</u>	<u>\$ 277,000</u>	<u>\$ 62,314</u>	<u>\$ (214,686)</u>
Recovered costs:				
Northern Neck regional jail payment	\$ 124,800	\$ 124,800	\$ 124,800	\$ -
Industrial Development Authority	-	-	120,000	120,000
Circuit Court payroll	-	-	57,533	57,533
Museum payroll	-	-	14,752	14,752
Preschool program	-	-	38,070	38,070
Streetlights	-	-	2,583	2,583
Road improvement	-	-	44,414	44,414
Adult education program	-	-	10,000	10,000
Court services unit	15,750	15,750	40,865	25,115
Family development center	-	-	3,206	3,206
School resource officer	-	-	30,000	30,000
Radio system	-	-	123,966	123,966
Other recovered costs	-	-	19,244	19,244
Total recovered costs	<u>\$ 140,550</u>	<u>\$ 140,550</u>	<u>\$ 629,433</u>	<u>\$ 488,883</u>
Total revenue from local sources	<u>\$ 8,128,020</u>	<u>\$ 8,128,020</u>	<u>\$ 7,603,735</u>	<u>\$ (524,285)</u>
Revenue from the Commonwealth:				
Noncategorical aid:				
Payment in lieu of taxes	30,500	30,500	32,592	2,092
Wine taxes	4,568	4,568	-	(4,568)
Motor vehicle carriers' tax	1,100	1,100	675	(425)
Mobile home titling tax	17,500	17,500	17,763	263
Motor vehicle rental tax	-	-	280	280
State recordation tax	16,500	16,500	23,740	7,240
Communications tax	-	-	321,946	321,946
Personal property tax relief funds	803,954	803,954	803,955	1
Reduction in state aid to localities	-	-	(48,114)	(48,114)
Total noncategorical aid	<u>\$ 874,122</u>	<u>\$ 874,122</u>	<u>\$ 1,152,837</u>	<u>\$ 278,715</u>

County of Richmond, Virginia
Schedule of Revenues - Budget and Actual
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 174,056	\$ 174,056	\$ 165,750	\$ (8,306)
Sheriff	660,945	660,945	591,380	(69,565)
Commissioner of revenue	70,701	70,701	66,971	(3,730)
Treasurer	90,098	90,098	81,864	(8,234)
Medical examiner	90	90	-	(90)
Registrar/electoral board	38,567	38,567	31,729	(6,838)
Clerk of the Circuit Court	178,678	178,678	158,586	(20,092)
Total shared expenses	<u>\$ 1,213,135</u>	<u>\$ 1,213,135</u>	<u>\$ 1,096,280</u>	<u>\$ (116,855)</u>
Other categorical aid:				
Four for life grant	\$ 10,620	\$ 10,620	\$ 8,965	\$ (1,655)
Fire program funds	19,500	19,500	20,510	1,010
Litter control grant	6,300	6,300	-	(6,300)
Domestic violence grant	40,675	40,675	100,000	59,325
Asset forfeiture funds	-	-	366	366
DMV selective enforcement	25,500	25,500	-	(25,500)
Wireless grant	40,000	40,000	37,793	(2,207)
Preschool initiative program	65,513	65,513	63,514	(1,999)
PSAP technology grant	-	-	60,597	60,597
Court security grant	24,500	24,500	-	(24,500)
Project lifesaver	-	-	40	40
Emergency medical services	7,800	7,800	112,214	104,414
Other state grants	5,600	5,600	5,918	318
Total other categorical aid	<u>\$ 246,008</u>	<u>\$ 246,008</u>	<u>\$ 409,917</u>	<u>\$ 163,909</u>
Total categorical aid	<u>\$ 1,459,143</u>	<u>\$ 1,459,143</u>	<u>\$ 1,506,197</u>	<u>\$ 47,054</u>
Total revenue from the Commonwealth	<u>\$ 2,333,265</u>	<u>\$ 2,333,265</u>	<u>\$ 2,659,034</u>	<u>\$ 325,769</u>
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	\$ 27,000	\$ 27,000	\$ 18,701	\$ (8,299)

County of Richmond, Virginia
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Revenue from the federal government: (Continued)				
Categorical aid:				
Byrne grant - ARRA	\$ -	\$ -	\$ 5,581	\$ 5,581
Edward Byrne JAG funding - ARRA	-	-	23,912	23,912
State and community highway safety	-	-	25,132	25,132
Community facilities USDA rural development grant	-	-	53,090	53,090
Community facilities USDA rural development grant - ARRA	-	-	64,500	64,500
Homeland security	11,500	11,500	14,600	3,100
Total categorical aid	\$ 11,500	\$ 11,500	\$ 186,815	\$ 175,315
Total revenue from the federal government	\$ 38,500	\$ 38,500	\$ 205,516	\$ 167,016
Total General Fund	\$ 10,499,785	\$ 10,499,785	\$ 10,468,285	\$ (31,500)
Special Revenue Funds:				
Comprehensive Services Board Fund:				
Revenue from the Commonwealth:				
Categorical aid:				
Comprehensive Services Act program	\$ 298,500	\$ 298,500	\$ 139,643	\$ (158,857)
Total Comprehensive Services Board Fund	\$ 298,500	\$ 298,500	\$ 139,643	\$ (158,857)
Virginia Public Assistance Fund:				
Revenue from local sources:				
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 16,383	\$ 16,383
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ 228,000	\$ 228,000	\$ 234,398	\$ 6,398
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 430,000	\$ 430,000	\$ 377,182	\$ (52,818)
Public assistance and welfare administration - ARRA	-	-	13,617	13,617
Total categorical aid	\$ 430,000	\$ 430,000	\$ 390,799	\$ (39,201)
Total revenue from the federal government	\$ 430,000	\$ 430,000	\$ 390,799	\$ (39,201)
Total Virginia Public Assistance Fund	\$ 658,000	\$ 658,000	\$ 641,580	\$ (16,420)
Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:	\$ -	\$ -	\$ 32,207	\$ 32,207
Total Primary Government	\$ 11,456,285	\$ 11,456,285	\$ 11,281,715	\$ (174,570)

County of Richmond, Virginia
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board:				
Special Revenue Funds:				
School Operating Fund:				
Revenue from local sources:				
Miscellaneous revenue:				
Other miscellaneous	\$ 12,911	\$ 12,911	\$ 29,776	\$ 16,865
 Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Richmond, Virginia	\$ 4,816,071	\$ 4,944,788	\$ 4,659,567	\$ (285,221)
 Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 1,051,947	\$ 1,051,947	\$ 1,003,887	\$ (48,060)
Basic school aid	3,854,004	3,854,004	3,570,736	(283,268)
Adult literacy - CTE	-	-	371	371
At risk payments	76,861	76,861	76,427	(434)
Early reading intervention	26,388	26,388	28,418	2,030
English as a second language	35,618	35,618	46,873	11,255
Fringe benefits	509,944	509,944	443,956	(65,988)
GED preparation assistance	-	-	7,859	7,859
Gifted and talented	35,578	35,578	36,127	549
Industry certification	-	-	5,511	5,511
Mentor teacher program	-	-	2,595	2,595
Primary class size	135,282	135,282	138,875	3,593
Project graduation	-	-	3,095	3,095
Regular foster care	10,000	10,000	13,229	3,229
Remedial education	92,502	92,502	93,929	1,427
Remedial summer education	37,452	37,452	40,696	3,244
School food	9,239	9,239	8,600	(639)
Special education	538,407	538,407	546,717	8,310
Special education - homebound	-	-	2,613	2,613
Special education - jails	-	-	6,423	6,423
State lottery payments	71,843	71,843	92,685	20,842
Technology	128,000	128,000	128,000	-
Textbook payment	93,703	93,703	43,677	(50,026)
Vocational education	104,361	104,361	105,971	1,610
Vocational education - equipment	1,000	1,000	15,485	14,485
Vocational education - occupational preparedness	8,000	8,000	6,819	(1,181)
Total categorical aid	\$ 6,820,129	\$ 6,820,129	\$ 6,469,574	\$ (350,555)
 Total revenue from the Commonwealth	\$ 6,820,129	\$ 6,820,129	\$ 6,469,574	\$ (350,555)

County of Richmond, Virginia
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
Special Revenue Funds: (Continued)				
School Operating Fund: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Language acquisition	\$ -	\$ -	\$ 18,999	\$ 18,999
Title VI-B, special education flow-through	344,787	344,787	212,687	(132,100)
Title VI-B, special education flow-through - ARRA	-	-	78,826	78,826
Title VI-B, special education pre-school - ARRA	-	-	3,202	3,202
Vocational education	-	-	28,481	28,481
School lunch and breakfast programs	\$ 240,000	\$ 240,000	\$ 275,667	\$ 35,667
Title II, Part A	-	-	52,454	52,454
Title II, Part D	-	-	7,881	7,881
Safe and drug-free schools and communities	-	-	8,204	8,204
State fiscal stabilization funds - ARRA	495,072	495,072	573,528	78,456
Technology - ARRA	-	-	7,475	7,475
Total categorical aid	\$ 1,079,859	\$ 1,079,859	\$ 1,267,404	\$ 187,545
Total revenue from the federal government	\$ 1,079,859	\$ 1,079,859	\$ 1,267,404	\$ 187,545
Total School Operating Fund	\$ 12,728,970	\$ 12,857,687	\$ 12,426,321	\$ (431,366)
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 129	\$ 129
Charges for services:				
Cafeteria sales	\$ 210,000	\$ 210,000	\$ 202,577	\$ (7,423)
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 6,715	\$ 6,715
Total revenue from local sources	\$ 210,000	\$ 210,000	\$ 209,421	\$ (579)
Revenue from the federal government:				
Categorical aid:				
Commodities	\$ -	\$ -	\$ 25,353	\$ 25,353
Total School Cafeteria Fund	\$ 210,000	\$ 210,000	\$ 234,774	\$ 24,774

County of Richmond, Virginia
Schedule of Revenues - Budget and Actual
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
PL 89-10 (Title I) Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 29	\$ 29
Revenue from the federal government:				
Categorical aid:				
Title I	\$ -	\$ 296,572	\$ 296,572	\$ -
Title I - ARRA	-	71,784	71,784	-
Total categorical aid	\$ -	\$ 368,356	\$ 368,356	\$ -
Total revenue from the federal government	\$ -	\$ 368,356	\$ 368,356	\$ -
Total PL 89-10 (Title I) Fund	\$ -	\$ 368,356	\$ 368,385	\$ 29
Total Discretely Presented Component Unit - School Board	\$ 12,938,970	\$ 13,436,043	\$ 13,029,480	\$ (406,563)

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County of Richmond, Virginia
Schedule of Expenditures - Budget and Actual
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
General government administration:				
Legislative:				
Board of Supervisors	\$ 88,968	\$ 88,968	\$ 370,634	\$ (281,666)
General and financial administration:				
County administrator	\$ 173,554	\$ 176,249	\$ 176,055	\$ 194
Information technology	205,702	205,702	204,791	911
Commissioner of revenue	161,604	161,604	158,929	2,675
Assessor	25,000	25,000	3,848	21,152
Treasurer	206,228	206,228	203,647	2,581
Total general and financial administration	\$ 772,088	\$ 774,783	\$ 747,270	\$ 27,513
Board of elections:				
Electoral board and officials	\$ 18,843	\$ 18,843	\$ 17,198	\$ 1,645
Registrar	53,487	55,532	55,310	222
Total board of elections	\$ 72,330	\$ 74,375	\$ 72,508	\$ 1,867
Total general government administration	\$ 933,386	\$ 938,126	\$ 1,190,412	\$ (252,286)
Judicial administration:				
Courts:				
Circuit court	\$ 57,239	\$ 71,964	\$ 71,964	\$ -
General district court	12,185	12,185	9,898	2,287
Magistrate	100	522	522	-
Court services unit	68,098	68,098	66,856	1,242
Clerk of the circuit court	209,946	209,946	206,122	3,824
Total courts	\$ 347,568	\$ 362,715	\$ 355,362	\$ 7,353
Commonwealth's attorney:				
Commonwealth's attorney	\$ 311,793	\$ 311,793	\$ 307,374	\$ 4,419
Total judicial administration	\$ 659,361	\$ 674,508	\$ 662,736	\$ 11,772
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,240,702	\$ 1,262,919	\$ 1,269,600	\$ (6,681)
Fire and rescue services:				
Volunteer fire department	\$ 147,000	\$ 163,208	\$ 163,208	\$ -
Volunteer rescue squad	609,530	609,530	736,118	(126,588)
Total fire and rescue services	\$ 756,530	\$ 772,738	\$ 899,326	\$ (126,588)
Correction and detention:				
Juvenile group home	\$ 21,237	\$ 21,237	\$ 21,237	\$ -

County of Richmond, Virginia
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Public safety: (Continued)				
Inspections:				
Building	\$ 106,010	\$ 106,010	\$ 104,317	\$ 1,693
Other protection:				
Animal control	\$ 56,691	\$ 56,691	\$ 54,836	\$ 1,855
Civil defense	71,895	71,895	73,585	(1,690)
Medical examiner	400	400	-	400
E-911 system	72,400	72,400	64,515	7,885
Total other protection	\$ 201,386	\$ 201,386	\$ 192,936	\$ 8,450
Total public safety	\$ 2,325,865	\$ 2,364,290	\$ 2,487,416	\$ (123,126)
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Streetlights	\$ 4,150	\$ 4,150	\$ 3,949	\$ 201
Sanitation and waste removal:				
Refuse collection and disposal	\$ 675,300	\$ 675,300	\$ 559,827	\$ 115,473
Maintenance of general buildings and grounds:				
General properties	\$ 277,466	\$ 319,453	\$ 318,238	\$ 1,215
Total public works	\$ 956,916	\$ 998,903	\$ 882,014	\$ 116,889
Health and welfare:				
Health:				
Supplement of local health department	\$ 158,850	\$ 158,850	\$ 134,304	\$ 24,546
Mental health and mental retardation:				
Community services board	\$ 26,000	\$ 26,000	\$ 26,000	\$ -
Welfare:				
Social services board	\$ -	\$ -	\$ 2,649	\$ (2,649)
Family development center	114,000	114,615	114,559	56
Area agency on aging	7,650	7,650	7,650	-
Total welfare	\$ 121,650	\$ 122,265	\$ 124,858	\$ (2,593)
Total health and welfare	\$ 306,500	\$ 307,115	\$ 285,162	\$ 21,953
Education:				
Other instructional costs:				
Contributions to Rappahannock Community College	\$ 9,140	\$ 9,140	\$ 9,140	\$ -
Contribution to County School Board	4,816,071	4,944,788	4,659,567	285,221
Total education	\$ 4,825,211	\$ 4,953,928	\$ 4,668,707	\$ 285,221

County of Richmond, Virginia
Schedule of Expenditures - Budget and Actual
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Parks, recreation, and cultural:				
Parks and recreation:				
Recreational programs	\$ 46,500	\$ 46,500	\$ 46,500	\$ -
Cultural enrichment:				
Richmond County museum	\$ 18,129	\$ 18,778	\$ 18,778	\$ -
Library:				
Contribution to county library	\$ 79,158	\$ 79,158	\$ 79,158	\$ -
Total parks, recreation, and cultural	\$ 143,787	\$ 144,436	\$ 144,436	\$ -
Community development:				
Planning and community development:				
Planning	\$ 183,502	\$ 183,502	\$ 164,950	\$ 18,552
Economic development	52,038	52,038	32,519	19,519
Northern Neck planning district commission	10,000	10,000	9,500	500
Total planning and community development	\$ 245,540	\$ 245,540	\$ 206,969	\$ 38,571
Environmental management:				
Contribution to soil and water conservation district	\$ 10,850	\$ 10,850	\$ 10,850	\$ -
Wetlands board	4,080	4,080	1,236	2,844
Litter and recycling program	9,000	9,000	9,000	-
Total environmental management	\$ 23,930	\$ 23,930	\$ 21,086	\$ 2,844
Cooperative extension program:				
Extension office	\$ 62,131	\$ 62,131	\$ 47,487	\$ 14,644
Total community development	\$ 331,601	\$ 331,601	\$ 275,542	\$ 56,059
Nondepartmental:				
Other nondepartmental	\$ 139,784	\$ 177,160	\$ 150,988	\$ 26,172
Capital projects:				
School Renovations	\$ 2,400,000	\$ 2,400,000	\$ 1,308,325	\$ 1,091,675
Commerce park	-	-	36,250	(36,250)
Total capital projects	\$ 2,400,000	\$ 2,400,000	\$ 1,344,575	\$ 1,055,425
Debt service:				
Principal retirement	\$ 369,265	\$ 369,265	\$ 369,265	\$ -
Interest and other fiscal charges	206,334	819,353	477,304	342,049
Total debt service	\$ 575,599	\$ 1,188,618	\$ 846,569	\$ 342,049
Total General Fund	\$ 13,598,010	\$ 14,478,685	\$ 12,938,557	\$ 1,540,128

County of Richmond, Virginia
Schedule of Expenditures - Budget and Actual
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Special Revenue Funds:				
Comprehensive Services Board Fund:				
Health and welfare:				
Welfare and social services:				
Comprehensive services	\$ 180,000	\$ 365,332	\$ 373,856	\$ (8,524)
Total Comprehensive Services Board Fund	\$ 180,000	\$ 365,332	\$ 373,856	\$ (8,524)
Virginia Public Assistance Fund:				
Health and welfare:				
Welfare and social services:				
Public assistance and welfare administration	\$ 923,143	\$ 1,020,000	\$ 850,355	\$ 169,645
Total welfare and social services	\$ 923,143	\$ 1,020,000	\$ 850,355	\$ 169,645
Total Virginia Public Assistance Fund	\$ 923,143	\$ 1,020,000	\$ 850,355	\$ 169,645
Sheriff's Funds:				
Public safety:				
Other protection:				
Other protection	\$ -	\$ -	\$ 634	\$ (634)
Total Sheriff's Funds	\$ -	\$ -	\$ 634	\$ (634)
Total Primary Government	\$ 14,701,153	\$ 15,864,017	\$ 14,163,402	\$ 1,700,615
Discretely Presented Component Unit - School Board:				
Special revenue funds:				
School Operating Fund:				
Education:				
Instruction costs:				
Instructional costs	\$ 9,477,462	\$ 9,606,179	\$ 9,099,599	\$ 506,580
Operating costs:				
Attendance and health services	\$ 589,045	\$ 589,045	\$ 612,039	\$ (22,994)
Pupil transportation	769,485	769,485	887,941	(118,456)
Operation and maintenance of school plant	1,104,432	1,104,432	1,493,553	(389,121)
Facilities	496,572	496,572	-	496,572
Total operating costs	\$ 2,959,534	\$ 2,959,534	\$ 2,993,533	\$ (33,999)
School food services:				
Administration of school food program	\$ 291,974	\$ 291,974	\$ 48,923	\$ 243,051
Total education	\$ 12,728,970	\$ 12,857,687	\$ 12,142,055	\$ 715,632
Total School Operating Fund	\$ 12,728,970	\$ 12,857,687	\$ 12,142,055	\$ 715,632

County of Richmond, Virginia
Schedule of Expenditures - Budget and Actual
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
Special revenue funds: (continued)				
School Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ -	\$ -	\$ 474,506	\$ (474,506)
Commodities	-	-	25,353	(25,353)
Total school food services	\$ -	\$ -	\$ 499,859	\$ (499,859)
Total education	\$ -	\$ -	\$ 499,859	\$ (499,859)
Total School Cafeteria Fund	\$ -	\$ -	\$ 499,859	\$ (499,859)
PL 89-10 (Title I) Fund:				
Education:				
Instruction costs:				
Instructional costs	\$ -	\$ 368,356	\$ 337,773	\$ 30,583
Operating costs:				
Administration, attendance, and health	\$ -	\$ -	\$ 25,692	\$ (25,692)
Transportation services	-	-	4,892	(4,892)
Total operating costs	\$ -	\$ -	\$ 30,584	\$ (30,584)
Total education	\$ -	\$ 368,356	\$ 368,357	\$ (1)
Total PL 89-10 (Title I) Fund	\$ -	\$ 368,356	\$ 368,357	\$ (1)
Total Discretely Presented Component Unit - School Board	\$ 12,728,970	\$ 13,226,043	\$ 13,010,271	\$ 215,772

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OTHER STATISTICAL SECTION

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Table 1

County of Richmond, Virginia
Government-Wide Expenses by Function
Last Ten 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
2009-10	\$ 1,247,741	\$ 707,540	\$ 1,967,062	\$ 826,963	\$ 1,504,350	\$ 4,819,073	\$ 165,934	\$ 165,662	\$ 470,384	\$ 11,874,709
2008-09	887,637	738,746	2,124,489	904,776	1,493,767	4,482,010	124,819	294,235	378,731	11,429,210
2007-08	864,726	1,233,067	1,585,738	900,170	1,866,168	4,443,785	139,272	311,368	234,691	11,578,985
2006-07	730,497	648,463	1,418,622	771,453	1,432,078	4,171,087	118,814	177,170	247,003	9,715,187
2005-06	697,272	406,443	1,242,662	1,067,093	1,543,325	3,752,680	95,294	139,381	262,193	9,206,343

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

Table 2

County of Richmond, Virginia
Government-Wide Revenues
Last Ten Fiscal Years (1)

Fiscal Year	PROGRAM REVENUES			GENERAL REVENUES							Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	Gain on Sale of Capital Assets		
2009-10	\$ 321,894	\$ 2,457,852	\$ -	\$ 5,503,475	\$ 1,209,769	\$ 88,122	\$ 78,697	\$ 1,171,538	\$ -	\$ 10,831,347	
2008-09	390,629	2,133,243	-	5,484,432	1,605,267	273,471	62,299	844,261	-	10,793,602	
2007-08	158,352	2,447,905	-	5,291,354	1,890,206	249,852	143,575	883,429	75,854	11,140,527	
2006-07	126,029	2,201,339	-	4,965,281	1,941,182	335,739	171,022	916,138	154,704	10,811,434	
2005-06	125,082	2,398,709	-	4,580,282	1,969,243	282,547	49,371	921,932	-	10,327,166	

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

Table 3

County of Richmond, Virginia
General Governmental Expenditures by Function (1) (2)
Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Capital Projects	Non-departmental	Debt Service	Total
2010	\$ 1,190,412	\$ 662,736	\$ 2,488,050	\$ 882,014	\$ 1,509,373	\$ 13,019,411	\$ 144,436	\$ 275,542	\$ 1,344,575	\$ 150,988	\$ 846,569	\$ 22,514,106
2009	945,269	672,311	2,225,390	923,742	1,490,733	12,929,843	138,294	311,486	1,417,637	122,877	740,525	21,918,107
2008	850,599	675,746	1,661,920	912,019	1,863,998	12,179,225	129,529	292,957	628,508	85,043	601,335	19,880,879
2007	713,750	615,881	1,526,306	780,781	1,427,785	11,673,412	118,814	244,181	2,521,293	77,908	602,693	20,302,804
2006 (4)	668,888	546,957	1,626,249	827,527	1,555,509	10,935,534	112,811	314,837	2,021,322	64,756	610,290	19,284,680
2005 (3)	715,943	531,476	1,619,931	658,064	1,269,078	13,796,849	433,620	171,087	272,682	-	375,043	19,843,773
2004	620,476	509,165	1,108,521	695,648	1,185,624	13,032,121	461,433	164,771	322,842	-	229,619	18,330,220
2003	672,264	543,198	1,170,973	571,701	1,203,655	9,079,206	258,111	148,553	375,719	-	265,857	14,289,237
2002	663,347	579,371	1,105,964	537,284	1,069,586	9,052,861	156,739	182,949	461,541	-	271,925	14,081,567
2001	534,191	579,439	1,387,461	507,498	1,175,693	8,651,962	329,260	160,557	1,818,205	-	330,274	15,474,540

(1) Includes general and special revenue funds of the Primary Government, and its Discretely Presented Component Unit-School Board.

(2) For 2005, 2004, 2003, and 2002, \$52,866, \$38,583, \$47,561 and \$47,061 respectively, of miscellaneous expenditures are included in general administration.

(3) Education expenditures include \$3,415,513 of operating funds from the County to the Component Unit-School Board.

(4) Beginning in FY2006, excludes contribution from Primary Government to Component Unit - School Board.

Table 4

County of Richmond, 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
2010	\$ 5,324,410	\$ 1,209,769	\$ 53,083	\$ 31,958	\$ 88,280	\$ 439,430	\$ 115,188	\$ 629,433	\$ 11,760,077	\$ 19,651,628
2009	5,427,144	1,605,267	63,041	39,536	188,999	514,400	93,032	423,577	11,322,727	19,677,723
2008	5,271,537	1,890,206	67,647	50,216	146,054	288,076	216,495	354,020	10,975,894	19,260,145
2007	4,956,725	1,941,203	62,798	39,383	336,316	266,775	204,572	286,488	10,509,405	18,603,665
2006 (3)	4,527,993	1,969,243	66,472	35,228	349,388	273,144	76,922	518,818	10,566,898	18,384,106
2005 (2)	3,950,046	1,737,192	44,724	26,076	337,803	377,908	485,098	-	13,545,578	20,504,425
2004	3,957,050	1,547,386	63,103	15,520	241,767	366,346	366,676	-	12,302,081	18,859,929
2003	3,394,968	1,443,311	49,044	17,967	256,321	223,219	307,777	-	8,230,299	13,922,906
2002	3,358,341	1,382,228	56,757	23,683	165,382	215,043	427,524	-	8,381,689	14,010,647
2001	3,238,441	1,395,579	63,957	23,929	380,691	206,342	642,216	-	9,430,742	15,381,897

(1) Includes general and special revenue funds of the Primary Government and its Discretely Presented Component Unit-School Board; excludes capital projects funds.

(2) Intergovernmental revenue includes \$3,415,513 of operating funds from the County to the Component Unit-School Board.

(3) Beginning in FY2006, excludes contribution from Primary Government to Component Unit - School Board.

Table 5

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

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected	Delinquent Tax Collections (1, 2)	Total Tax Collections	Percent of		Outstanding Delinquent Taxes (1, 2)	Percent of	
						Total Tax Collections	to Tax Levy		Total Tax Collections	Delinquent Taxes to Tax Levy
2010	\$ 5,367,359	\$ 5,074,996	94.55%	\$ 169,423	\$ 5,244,419	97.71%	\$ 323,834	6.03%		
2009	5,418,715	5,197,121	95.91%	139,341	5,336,462	98.48%	277,366	5.12%		
2008	5,154,559	5,089,100	98.73%	100,343	5,189,443	100.68%	261,891	5.08%		
2007	5,651,753	5,550,726	98.21%	130,459	5,681,185	100.52%	257,444	4.56%		
2006 (4)	5,307,595	5,156,333	97.15%	111,949	5,268,282	99.26%	225,374	4.25%		
2005 (3)	3,857,690	3,770,503	97.74%	101,852	3,872,355	100.38%	147,994	3.84%		
2004 (3)	3,816,618	3,709,307	97.19%	145,866	3,855,173	101.01%	168,728	4.42%		
2003 (3)	3,375,832	3,235,113	95.83%	99,567	3,334,680	98.78%	220,518	6.53%		
2002 (3)	3,331,219	3,188,005	95.70%	109,873	3,297,878	99.00%	244,010	7.32%		
2001 (3)	3,189,038	3,089,283	96.87%	86,284	3,175,567	99.58%	234,350	7.35%		

(1) Exclusive of penalties and interest.

(2) Delinquent tax collections are exclusive of land redemptions.

(3) Tax levy net of personal property tax relief act (PPTRA) reduction of \$744,066, \$780,452, \$742,119, \$736,743, and \$501,255 for the years ended June 30, 2005, 2004, 2003, 2002, and 2001, respectively.

(4) Beginning in FY 2006, PPTRA is included with Tax Levy and Current Tax Collections.

Table 6

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

Fiscal Year	Real Estate (1)	Personal Property and Mobile Homes	Machinery and Tools	Merchant's Capital	Public Utility (2)			Total
					Real Estate	Personal Property	Personal Property	
2010	\$ 531,312,380	\$ 53,760,890	\$ 3,079,608	\$ 1,690,180	\$ 37,964,495	\$ 1,206,024	\$	629,013,577
2009	527,089,300	63,387,130	3,265,563	1,665,480	19,514,656	439,498		615,361,627
2008	519,347,200	59,893,830	3,585,620	1,511,680	22,174,210	480,370		606,992,910
2007	508,564,720	59,112,310	3,797,920	1,569,400	25,194,248	529,373		598,767,971
2006	498,595,965	56,476,220	4,345,030	1,513,460	28,427,984	740,165		590,098,824
2005	488,968,435	50,489,420	4,595,610	1,576,270	37,778,201	853,727		584,261,663
2004	483,153,190	46,314,460	4,720,080	1,425,890	44,763,253	851,319		581,228,192
2003	401,346,300	43,814,780	4,588,770	1,513,210	37,783,289	720,909		489,767,258
2002	395,049,190	43,795,790	4,418,290	1,489,800	40,400,419	638,764		485,792,253
2001	387,698,020	41,731,070	4,856,160	1,520,920	42,086,893	647,494		478,540,557

(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 Richmond, Virginia
Property Tax Rates
Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property	Machinery and Tools	Merchant's Capital	Public Utility	
					Real Estate	Personal Property
2010	\$ 0.70	\$ 3.50	\$ 0.50	\$ 3.50	\$ 0.70	\$ 3.50
2009	0.70	3.50	0.50	3.50	0.70	3.50
2008	0.67	3.50	0.50	3.50	0.67	3.50
2007	0.67	3.50	0.50	3.50	0.67	3.50
2006	0.63	3.50	0.50	3.50	0.63	3.50
2005	0.54	3.50	0.50	3.50	0.54	3.50
2004	0.54	3.50	0.50	3.50	0.54	3.50
2003	0.56	3.50	0.50	3.50	0.56	3.50
2002	0.56	3.50	0.50	3.50	0.56	3.50
2001	0.50	3.50	0.10	3.50	0.50	3.50

Table 8

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

Fiscal Year	Population (1)	Assessed Value (in thousands)(2)	Gross and Net Bonded Debt (3)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2010	8,809	\$ 629,014	\$ 3,458,563	0.55%	\$ 393
2009	8,809	615,362	1,061,722	0.17%	121
2008	8,809	606,993	1,163,928	0.19%	132
2007	8,809	598,768	1,281,842	0.21%	146
2006	8,809	590,099	1,398,998	0.24%	159
2005	8,809	584,262	1,517,736	0.26%	172
2004	8,809	581,228	1,635,779	0.28%	186
2003	8,809	489,767	1,753,156	0.36%	199
2002	7,269	485,792	1,932,397	0.40%	266
2001	7,269	478,541	2,111,028	0.44%	290

(1) Center for Public Service at the University of Virginia.

(2) From Table 6.

(3) Includes all long-term general obligation bonded debt and literary fund loans.

Excludes revenue bonds, landfill closure/post-closure care liability, capital leases,
and compensated absences.

COMPLIANCE SECTION

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ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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

To The Honorable Members of the Board of Supervisors
County of Richmond
Richmond, 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 Richmond, Virginia, as of and for the year ended June 30, 2010, which collectively comprise the County of Richmond, Virginia's basic financial statements and have issued our report thereon dated January 17, 2011. 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 Richmond, 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 Richmond, Virginia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Richmond, Virginia's internal control over financial reporting.

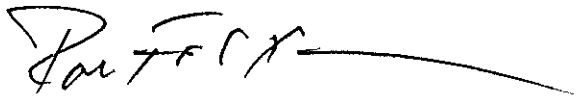
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination 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 Richmond, Virginia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

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

Richmond, Virginia
January 17, 2011

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 Richmond
Richmond, Virginia

Compliance

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

In our opinion, the County of Richmond, 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.

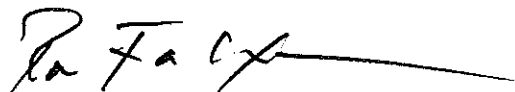
Internal Control Over Compliance

Management of the County of Richmond, 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 Richmond, Virginia's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the 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 Richmond, 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 deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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

A handwritten signature in black ink, appearing to read "R. F. Cox", followed by a long horizontal flourish.

Richmond, Virginia
January 17, 2011

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

Page 1 of 2

Federal Grantor/State Pass - Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass Through Payments:			
<i>Department of Social Services:</i>			
Promoting safe and stable families	93.556	0950109/0950110	\$ 14,579
Temporary assistance for needy families	93.558	0400109/0400110	70,749
Refugee and entrant assistance - state administered programs	93.566	0500109/0500110	285
Low-income home energy assistance	93.568	0600409/0600410	5,207
Child care and development fund cluster:			
Child care and development block grant	93.575	0770109/0770110	10,289
Child care mandatory and matching funds of the child care and development fund	93.596	0760109/0760110	17,759
ARRA - Child care and development block grant	93.713	0740109/0780109	5,416
Child welfare services - state grants	93.645	0900109/090110	247
Foster care - Title IV-E	93.658	1100109/1100110	39,655
ARRA - Foster care - Title IV-E	93.658	1100109/1100110	2,066
Adoption assistance	93.659	1120109/1120110	5,379
ARRA - Adoption assistance	93.659	1120109/1120110	387
Social services block grant	93.667	1000109/1000110	24,328
Chafee foster care independence program	93.674	9150109/9150110	683
Children's health insurance program	93.767	0540109/0540110	5,428
Medical assistance program	93.778	1200109/1200110	65,718
Total Department of Health and Human Services			<u>\$ 268,175</u>
U. S. Department of Homeland Security:			
Pass Through Payments:			
<i>Department of Emergency Management:</i>			
State homeland security program	97.073	77501-52717	<u>\$ 14,600</u>
Department of Agriculture:			
Direct Payments:			
Community facilities program	10.780	N/A	\$ 53,090
ARRA - Community facilities program	10.780	N/A	<u>64,500</u>
Total Department of Agriculture - direct payments			<u>\$ 117,590</u>
Pass Through Payments:			
<i>Department of Agriculture:</i>			
Food Distribution	10.555	17901-45707	\$ 25,353
<i>Department of Education:</i>			
Child nutrition cluster:			
School Breakfast Program	10.553	17901-40591	\$ 58,531
National School Lunch Program	10.555	17901-40623	217,136
<i>Department of Social Services:</i>			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010109/0010110	\$ 116,876
ARRA - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0040109/0040110	<u>5,748</u>
Total Department of Agriculture - pass-through payments			<u>\$ 423,644</u>
Total Department of Agriculture			<u>\$ 541,234</u>

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

Page 2 of 2

Federal Grantor/State Pass - Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of the Interior:			
Direct payments:			
Bureau of Land Management:			
Payments in Lieu of Taxes	15.226	N/A	\$ 18,701
Department of Transportation:			
Pass Through Payments:			
Department of Motor Vehicles:			
State and Community Highway Safety	20.600	60507-5015	\$ 25,132
Department of Justice:			
Direct payments:			
ARRA - Edward Byrne Memorial Justice Assistance Grant Program / Grants to Units of Local Governments	16.804	N/A	\$ 5,581
Pass Through Payments:			
Compensation Board:			
ARRA - Edward Byrne Memorial Justice Assistance Grant Program / Grants to States and Territories	16.803	2009-SU-B9-0033	\$ 23,912
Total Department of Justice			\$ 29,493
Department of Education:			
Pass Through Payments:			
Department of Education:			
Title I, Part A cluster:			
Title I Grants to Local Educational Agencies	84.010	17901-42901	\$ 296,572
ARRA - Title I Grants to Local Educational Agencies	84.389	17901-42913	71,784
Special education cluster:			
Special Education - Grants to States	84.027	17901-43071	212,687
ARRA - Special Education - Grants to States	84.391	17901-61245	78,826
ARRA - Special Education - Preschool - Grants to States	84.392	17901-61247	3,202
Career and Technical Education - Basic Grants to States	84.048	17901-61095	28,481
Safe and Drug-Free School and Communities - State Grants	84.186	18204-86871	8,204
English Language Acquisition Grants	84.365	17901-60512	18,999
Education Technology State Grants	84.318	17901-61600	7,881
ARRA - Education technology state grants	84.386	17901-60897	7,475
ARRA - State Fiscal Stabilization Fund - Education	84.394	17901-62532	573,528
Improving Teacher Quality State Grants	84.367	17901-61480	52,454
Total Department of Education			\$ 1,360,093
Total Expenditures of Federal Awards			\$ 2,257,428

See accompanying notes to schedule of expenditures of federal awards.

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

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the County of Richmond, 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 Richmond, Virginia, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County of Richmond, Virginia.

Note B - Summary of Significant Accounting Policies

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

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

Note C - Food Donation

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

Note D - 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	\$ 205,516
Special Revenue Funds:	
Virginia Public Assistance Fund	390,799
Total primary government	<u>\$ 596,315</u>

Component Unit Public Schools:

School Operating Fund	\$ 1,267,404
School Cafeteria Fund	25,353
PL 89-10 (Title I) Fund	368,356
Total component unit public schools	<u>\$ 1,661,113</u>

Total federal expenditures per basic financial statements	<u>\$ 2,257,428</u>
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Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u><u>\$ 2,257,428</u></u>
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County of Richmond, Virginia
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

Section I-Summary of Auditors' Results

Financial Statements

Type of auditor's report issued:

unqualified

Internal control over financial reporting:

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)
84.010/84.389
84.027 / 84.391/84.392
84.394

Name of Federal Program or Cluster
Title I, Part A Cluster
Special Education Cluster
ARRA - State Fiscal Stabilization Funds - Education

Dollar threshold used to distinguish between type A
and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

✓ _____ yes _____ no

Section II-Financial Statement Findings

None

Section III-Federal Award Findings and Questioned Costs

None

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

There were no prior year findings or questioned costs.

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