



FINANCIAL REPORT
YEAR ENDED JUNE 30, 2010

COUNTY OF CHARLOTTE, VIRGINIA

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2010

COUNTY OF CHARLOTTE, VIRGINIA

Financial Report
Year Ended June 30, 2010

TABLE OF CONTENTS

	<u>PAGE</u>
FINANCIAL SECTION	
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-8
<u>Basic Financial Statements:</u>	
Government-wide Financial Statements:	
Exhibit 1 Statement of Net Assets	9
Exhibit 2 Statement of Activities	10
Fund Financial Statements:	
Exhibit 3 Balance Sheet—Governmental Funds	11
Exhibit 4 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	12
Exhibit 5 Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds	13
Exhibit 6 Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Exhibit 7 Statement of Fiduciary Net Assets—Fiduciary Funds	15
Notes to Financial Statements	16-40
Required Supplementary Information:	
Exhibit 8 Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—General Fund	41
Exhibit 9 Schedule of Pension Funding Progress	42
Exhibit 10 Schedule of Other Post-Employment Benefit Funding Progress	43
Other Supplementary Information:	
<u>Combining and Individual Fund Statements and Schedules:</u>	
Exhibit 11 Combining Balance Sheet—Nonmajor Governmental Funds	44
Exhibit 12 Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Nonmajor Governmental Funds	45
Exhibit 13 Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—Nonmajor Special Revenue Fund	46
Exhibit 14 Combining Statement of Fiduciary Net Assets—Fiduciary Funds	47
Exhibit 15 Combining Statement of Changes in Assets and Liabilities—Agency Fund	48
Exhibit 16 Combining Balance Sheet—Discretely Presented Component Unit—School Board	49

COUNTY OF CHARLOTTE, VIRGINIA

Financial Report
Year Ended June 30, 2010

TABLE OF CONTENTS (CONTINUED)

	<u>PAGE</u>
FINANCIAL SECTION: (Continued)	
<u>Combining and Individual Fund Statements and Schedules: (Continued)</u>	
Other Supplementary Information: (Continued)	
Exhibit 17 Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds—Discretely Presented Component Unit—School Board	50
Exhibit 18 Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—Discretely Presented Component Unit—School Board	51-52
<u>Supporting Schedules</u>	
Schedule 1 Schedule of Revenues—Budget and Actual—Governmental Funds	53-57
Schedule 2 Schedule of Expenditures—Budget and Actual—Governmental Funds	58-62
<u>Other Statistical Information:</u>	
Table 1 Government-wide Expenses by Function—Last Eight Fiscal Years	63
Table 2 Government-wide Revenues—Last Eight Fiscal Years	64
Table 3 General Governmental Expenditures by Function—Last Ten Fiscal Years	65
Table 4 General Governmental Revenues by Source—Last Ten Fiscal Years	66
Table 5 Property Tax Levies and Collections—Last Ten Fiscal Years	67
Table 6 Assessed Value of Taxable Property—Last Ten Fiscal Years	68
Table 7 Property Tax Rates—Last Ten Fiscal Years	69
Table 8 Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita—Last Ten Fiscal Years	70
Table 9 Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures	71
<u>Compliance:</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	72-73
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	74-75
Schedule of Expenditures of Federal Awards	76-77
Notes to Schedule of Expenditures of Federal Awards	78
Schedule of Findings and Questioned Costs	79
Summary Schedule of Prior Year Audit Findings	80

COUNTY OF CHARLOTTE, VIRGINIA

Board of Supervisors

David M. Guill , Chairman
Nancy R. Carwile, Vice-Chairman

Gary D. Walker
Garland H. Hamlett Jr.
Haywood J. Hamlet

Jospeh E. Carey, Sr.
Robert L. Shook, Jr.

School Board

Thomas E. Locke, Jr., Chairman
Gerald W. Watts, Vice-Chairman
Kimberly O. Pillow

Barry K. Mason
Henry W. Carwile, Jr.

Angela Pulliam-Jones
William B. Devin

Board of Public Welfare

Carolyn Baker, Chairman
Barbara B. Duffer, Vice-Chairman

Alex A. Haskins
Jean Elliott
Novella Saunders

SamiDail Gilley
Juanita T. Collie
Gary D. Walker

Library Board

Eleanor B. Williams, Chairman
Velda Agee, Secretary
Ruth Brogdon

Teresa Osborne
Barbara B. Hamlett

Winnie Morris
Jean Elliot

Other Officials

Judge of the Circuit Court
Clerk of the Circuit Court
Judge of the General District Court
Judge of the Juvenile & Domestic Relations Court
Commonwealth's Attorney
Commissioner of the Revenue
Treasurer
Sheriff
Superintendent of Schools
Director of Social Services
Librarian
County Administrator

Leslie M. Osborn
Stuart B. Fallen
Joel Cunningham
S. Anderson Nelson
William E. Green, Jr.
Naisha N. Pridgen
Patricia P. Berkeley
Thomas D. Jones
Melody Hackney
Sari C. Goff
James C. Watkins
Russell B. Clark

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

**The Honorable Member of
The Board of Supervisors
County of Charlotte, Virginia**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Charlotte, 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 Charlotte, 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 unit, each major fund, and the aggregate remaining fund information of the County of Charlotte, Virginia, as of June 30, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2010, on our consideration of the County of Charlotte, 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 Funding Progress 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 an opinion on the financial statements that collectively comprise the County of Charlotte, Virginia's basic financial statements. The combining and individual nonmajor fund financial statements, supporting schedules and other statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the County of Charlotte, Virginia. The combining and individual nonmajor fund financial statements 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 other statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Robinson, Turner, Co. Associates
Charlottesville, Virginia
November 29, 2010

Management's Discussion and Analysis

To the Citizens of Charlotte County County of Charlotte, Virginia

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

Financial Highlights

Government-wide Financial Statements

The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$9,431,399 (net assets).

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported revenues in excess of expenditures and other financing sources of \$273,417 (Exhibit 5) after making contributions totaling \$3,025,717 to the School Board.

- As of the close of the current fiscal year; the County's funds reported ending fund balances of \$6,571,318, an increase of \$273,417 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$6,353,008, or 34% of total general fund expenditures.
- Our combined long-term obligations decreased \$429,841 during the current fiscal year.

Overview of the Financial Statements

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

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

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

Overview of the Financial Statements: (Continued)

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 Charlotte, Virginia itself (known as the primary government), but also a legally separate school district for which the County of Charlotte, Virginia is financially accountable. Financial information for these component units is reported separately from the financial information present 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 Charlotte, Virginia, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds - Governmental funds are used to account for essentially the same functions or services reported as governmental activities in the government-wide financial statements. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds focus is narrower than that of the government-wide financial statements reconciliation between the two methods is provided on Exhibit 4. The County has one major governmental fund - the General 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.

Overview of the Financial Statements: (Continued)

Other information - In addition to the basic financial statements 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 the Library. The School Board and Library 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 \$9,431,399 at the close of the most recent fiscal year.

County of Charlotte, Virginia's Net Assets			
	Governmental Activities		
	2010	2009	
Current and other assets	\$ 10,879,444	\$ 7,096,968	
Capital assets	<u>6,602,722</u>	<u>6,249,514</u>	
Total assets	\$ <u>17,482,166</u>	\$ <u>13,346,482</u>	
Long-term liabilities outstanding	\$ 3,930,067	\$ 4,359,908	
Current liabilities	<u>4,120,700</u>	<u>603,584</u>	
Total liabilities	\$ <u>8,050,767</u>	\$ <u>4,963,492</u>	
Net assets:			
Invested in capital assets, net of related debt	\$ 4,714,136	\$ 3,991,927	
Unrestricted	<u>4,717,263</u>	<u>4,391,063</u>	
Total net assets	\$ <u><u>9,431,399</u></u>	\$ <u><u>8,382,990</u></u>	

At the end of the current fiscal year, the County's investment in capital assets net of related debt is \$4,714,136. The remaining \$4,717,263 of net assets is unrestricted and available for use at the County's discretion.

The County's net assets increased by a total of \$1,048,409 during the current fiscal year.

Government-wide Financial Analysis: (Continued)

Governmental Activities - Governmental activities increased the County's net assets by \$1,048,409. Key elements of this increase are as follows:

- The County uses conservative budgeting practices
- The County met or was under budgeted expenditures in all functions.

<u>County of Charlotte, Virginia's Change in Net Assets</u>		
	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
Revenues:		
Program revenues:		
Charges for services	\$ 626,193	\$ 467,923
Operating grants and contributions	8,590,253	7,036,608
Capital grants and contributions	87,343	652,657
General revenues:		
Property taxes	6,078,882	6,416,117
Other local taxes	1,152,909	1,178,829
Grants and other contributions unrestricted	1,640,819	1,329,928
Other	969,892	868,092
Total revenues	<u>\$ 19,146,291</u>	<u>\$ 17,950,154</u>
Expenses:		
General government	\$ 1,175,629	\$ 1,170,626
Judicial administration	549,960	602,610
Public safety	3,301,492	3,733,311
Public works	603,238	1,127,597
Health and welfare	6,305,896	4,857,792
Education	3,216,899	3,152,675
Parks, recreation and culture	320,954	309,900
Community development	2,526,132	478,363
Interest	97,682	129,807
Total expenses	<u>\$ 18,097,882</u>	<u>\$ 15,562,681</u>
Increases (decrease) in net assets	\$ 1,048,409	\$ 2,387,473
Net assets-beginning	<u>8,382,990</u>	<u>5,995,517</u>
Net assets-ending	<u>\$ 9,431,399</u>	<u>\$ 8,382,990</u>

For the most part, increases in expenditures closely paralleled inflation and growth in the demand for services.

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

Government-wide Financial Analysis: (Continued)

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable 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 \$6,571,318, an increase of \$273,417 in comparison with the prior year. Approximately 97% of this total amount constitutes unreserved 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 \$4,349,650 and can be briefly summarized as follows:

- \$120,611 in increases for Public Works
- \$1,518,070 in increases for health and welfare
- \$42,149 in increases to other functions
- \$2,644,863 in increases for Community Development
- \$23,957 in increases for Judicial Administration

The budget increases were to be funded from federal revenue increases. During the year, revenues were less than budgetary estimates by \$1,278,586. Expenditures were less than budgetary estimates by \$2,050,395.

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 \$6,602,722 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment.

<u>County of Charlotte, Virginia's Capital Assets</u>		
	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
Land	\$ 239,755	\$ 207,756
Buildings and improvements	6,837,469	4,779,570
Equipment	1,603,567	1,568,433
Tenancy in common	1,345,795	1,582,863
Construction in progress	-	1,420,937
Total	\$ 10,026,586	\$ 9,559,559
Less accumulated depreciation	<u>(3,423,864)</u>	<u>(3,310,045)</u>
Net capital assets	<u>\$ 6,602,722</u>	<u>\$ 6,249,514</u>

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

Capital Asset and Debt Administration: (Continued)

Long-term debt - At the end of the current fiscal year, the County had total bonded debt outstanding of \$1,345,795 comprised debt backed by the full faith and credit of the County. The following table depicts all debt reported by the County:

County of Charlotte, Virginia's Outstanding Obligations		
	Governmental Activities	
	2010	2009
General obligation bonds	\$ 1,345,795	\$ 1,582,863
Capital leases	50,449	73,467
Lease revenue notes	492,392	601,198
Compensated absences	162,219	152,449
Other post-employment benefits	21,800	10,000
Landfill closure liability	<u>1,857,412</u>	<u>1,939,931</u>
Total	<u>\$ 3,930,067</u>	<u>\$ 4,359,908</u>

Legislation enacted in fiscal year ended June 30, 2002 requires that debt historically reported by the School Board be assumed by the primary government. The legislation affects the reporting of local school capital assets as well.

The County's total debt decreased by \$429,841 during the current fiscal year.

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

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the County is currently 9.8 percent, which is down from 10.2 percent as reported in the previous year. This compares unfavorably to the state's average unemployment rate of 7.1 percent and the national average rate of 9.6 percent.

Inflationary trends in the region compare favorably to national indices.

These factors were considered in preparing the County's budget for the 2011 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the County of Charlotte, 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, 250 Legrande Avenue, Charlotte Courthouse, Virginia 23923.

BASIC FINANCIAL STATEMENTS

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Government-wide Financial Statements

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Statement of Net Assets
June 30, 2010

	Primary Government	Component Unit
	Governmental Activities	School Board
ASSETS		
Cash and cash equivalents	\$ 2,901,728	\$ 961,206
Investments	2,192,684	326,325
Receivables (net of allowance for uncollectibles):		
Taxes receivable	3,730,532	-
Accounts receivable	182,751	7,863
Inventory	-	14,395
Due from component unit	780,767	-
Due from other governmental units	1,090,982	440,067
Prepaid items	-	460,412
Capital assets (net of accumulated depreciation):		
Land	239,755	66,545
Buildings and system	5,843,429	4,881,397
Machinery and equipment	519,538	995,374
Total assets	<u>\$ 17,482,166</u>	<u>\$ 8,153,584</u>
LIABILITIES		
Accounts payable	\$ 562,706	\$ 135,751
Accrued liabilities	-	887,461
Accrued interest payable	40,451	-
Due to primary government	-	780,767
Unearned revenue	3,517,543	-
Long-term liabilities:		
Due within one year	399,973	-
Due in more than one year	3,530,094	468,472
Total liabilities	<u>\$ 8,050,767</u>	<u>\$ 2,272,451</u>
NET ASSETS		
Invested in capital assets, net of related debt	\$ 4,714,136	\$ 5,662,043
Unrestricted	4,717,263	219,090
Total net assets	<u>\$ 9,431,399</u>	<u>\$ 5,881,133</u>

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

Statement of Activities
For the Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Governmental Activities	Unit School Board
Primary Government:						
Governmental activities:						
General government						
administration	\$ 1,175,629	\$ 43,815	\$ 244,770	\$ -	\$ (887,044)	\$ -
Judicial administration	549,960	50,966	320,756	-	(178,238)	-
Public safety	3,301,492	518,474	2,706,876	-	(76,142)	-
Public works	603,238	10,058	36,383	-	(556,797)	-
Health and welfare	6,305,896	-	5,221,633	-	(1,084,263)	-
Education	3,216,899	-	-	-	(3,216,899)	-
Parks, recreation, and cultural	320,954	2,880	59,835	-	(258,239)	-
Community development	2,526,132	-	-	87,343	(2,438,789)	-
Interest on long-term debt	97,682	-	-	-	(97,682)	-
Total governmental activities	\$ 18,097,882	\$ 626,193	\$ 8,590,253	\$ 87,343	\$ (8,794,093)	\$ -
Total primary government	\$ 18,097,882	\$ 626,193	\$ 8,590,253	\$ 87,343	\$ (8,794,093)	\$ -
Component Units:						
School Board	\$ 20,912,151	\$ 472,555	\$ 17,198,716	\$ -	\$ -	\$ (3,240,880)
Total component units	\$ 20,912,151	\$ 472,555	\$ 17,198,716	\$ -	\$ -	\$ (3,240,880)
General revenues:						
General property taxes				\$ 6,078,882	\$ -	
Other local taxes:						
Local sales and use taxes				474,198	-	
Consumer utility taxes				196,682	-	
Motor vehicle licenses				276,522	-	
Other local taxes				70,088	-	
Unrestricted revenues from use of money and property				286,739	1,526	
Miscellaneous				683,153	320,286	
Grants and contributions not restricted to specific programs				1,776,238	-	
Payments from Charlotte County				-	3,213,456	
Total general revenues				\$ 9,842,502	\$ 3,535,268	
Change in net assets				\$ 1,048,409	\$ 294,388	
Net assets - beginning, as adjusted				8,382,990	5,586,745	
Net assets - ending				\$ 9,431,399	\$ 5,881,133	

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

Fund Financial Statements

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Balance Sheet
Governmental Funds
June 30, 2010

	General	Other Governmental Funds	Total
ASSETS			
Cash and cash equivalents	\$ 2,901,673	\$ 55	\$ 2,901,728
Investments	1,958,913	233,771	2,192,684
Receivables (net of allowance for uncollectibles):			
Taxes receivable	3,730,532	-	3,730,532
Accounts receivable	182,751	-	182,751
Due from component unit	780,767	-	780,767
Due from other governmental units	1,090,982	-	1,090,982
Total assets	<u>\$ 10,645,618</u>	<u>\$ 233,826</u>	<u>\$ 10,879,444</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 547,190	\$ 15,516	\$ 562,706
Deferred revenue	3,745,420	-	3,745,420
Total liabilities	<u>\$ 4,292,610</u>	<u>\$ 15,516</u>	<u>\$ 4,308,126</u>
Fund balances:			
Reserved for:			
Library	\$ -	\$ 233,771	\$ 233,771
Unreserved, reported in:			
Special revenue fund	-	(15,461)	(15,461)
General fund	6,353,008	-	6,353,008
Total fund balances	<u>\$ 6,353,008</u>	<u>\$ 218,310</u>	<u>\$ 6,571,318</u>
Total liabilities and fund balances	<u>\$ 10,645,618</u>	<u>\$ 233,826</u>	<u>\$ 10,879,444</u>

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

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		\$	6,571,318
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			6,602,722
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.			227,877
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
Accrued interest payable	\$	(40,451)	
Long-term liabilities outstanding		<u>(3,930,067)</u>	<u>(3,970,518)</u>
Net assets of governmental activities		\$	<u><u>9,431,399</u></u>

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

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

	General	Other Govern- mental Funds	Total
REVENUES			
General property taxes	\$ 6,109,338	\$ -	\$ 6,109,338
Other local taxes	1,017,490	-	1,017,490
Permits, privilege fees, and regulatory licenses	52,931	-	52,931
Fines and forfeitures	166,714	-	166,714
Revenue from the use of money and property	256,639	30,100	286,739
Charges for services	403,668	2,880	406,548
Miscellaneous	682,828	325	683,153
Intergovernmental revenues:			
Commonwealth	4,578,232	59,835	4,638,067
Federal	5,815,767	-	5,815,767
Total revenues	\$ 19,083,607	\$ 93,140	\$ 19,176,747
EXPENDITURES			
Current:			
General government administration	\$ 1,022,532	\$ -	\$ 1,022,532
Judicial administration	520,384	-	520,384
Public safety	3,381,657	-	3,381,657
Public works	1,247,171	-	1,247,171
Health and welfare	6,271,008	-	6,271,008
Education	3,029,160	-	3,029,160
Parks, recreation, and cultural	63,480	250,171	313,651
Community development	2,524,469	-	2,524,469
Nondepartmental	104,325	-	104,325
Debt service:			
Principal retirement	368,892	-	368,892
Interest and other fiscal charges	120,081	-	120,081
Total expenditures	\$ 18,653,159	\$ 250,171	\$ 18,903,330
Excess (deficiency) of revenues over (under) expenditures	\$ 430,448	\$ (157,031)	\$ 273,417
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ -	\$ 165,447	\$ 165,447
Transfers (out)	(165,447)	-	(165,447)
Total other financing sources (uses)	\$ (165,447)	\$ 165,447	\$ -
Net change in fund balances	\$ 265,001	\$ 8,416	\$ 273,417
Fund balances - beginning	6,088,007	209,894	6,297,901
Fund balances - ending	\$ 6,353,008	\$ 218,310	\$ 6,571,318

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

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

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

Net change in fund balances - total governmental funds	\$	273,417
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period.

Capital outlay	\$	827,261	
Depreciation expense		(286,314)	
Joint assets		<u>(187,739)</u>	353,208

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(30,456)
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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.

Change in landfill closure and post-closure liability	82,519	
Principal payments	<u>368,892</u>	451,411

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 in interest payable	22,399	
(Increase) in other post-employment benefits	(11,800)	
(Increase) in compensated absences	<u>(9,770)</u>	829

Change in net assets of governmental activities	\$	<u><u>1,048,409</u></u>
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The notes to the financial statements are an integral part of this statement.

Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 533,401
Due from other governments	16,967
Total assets	\$ <u>550,368</u>
LIABILITIES	
Amounts held for social services clients	\$ 27,132
Accounts payable	105,599
Amounts held for others	417,637
Total liabilities	\$ <u>550,368</u>

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

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COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements As of June 30, 2010

Note 1—Summary of Significant Accounting Policies:

The County of Charlotte, Virginia was formed in 1764 and it is governed by an elected seven member Board of Supervisors. The Board of Supervisors is responsible for appointing the County Administrator. The County provides a full range of services for its citizens. These services include police and volunteer fire protection, sanitation services, recreational activities, cultural events, education and social services.

The financial statements of the County of Charlotte, 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.

Financial Statement Presentation

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, 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 unit. 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.

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.

COUNTY OF CHARLOTTE, VIRGINIA

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

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

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

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

B. Individual Component Unit Disclosures

Blended Component Unit: The County has no blended component units to be included for the fiscal year ended June 30, 2010.

Discretely Presented Component Unit: The Component unit columns in the combined financial statements include the financial data of the County's component unit. It is reported in a separate column to emphasize that it is legally separate from the County.

The Charlotte County School Board operates the elementary and secondary public schools in the County. School Board Members are elected by the voters. The School Board is fiscally dependent upon the County because the County approves all debt issuances of the School Board and provides significant funding to operate the public schools, since the School Board does not have separate taxing powers.

C. Other Related Organizations

Included in the County's Financial Report

None

COUNTY OF CHARLOTTE, VIRGINIA

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

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

C. Other Related Organizations: (Continued)

Excluded from the County's Financial Report

Crossroads Community Services Board

The Board was created by resolution pursuant to state statute and is considered a jointly governed organization and therefore its operations are not included in the county's financial statements. The County appoints two of the board members; however, the County cannot impose its will on the Board since it does not have the ability to modify or approve the budget or overrule or modify the decisions of the Board. The Board is fiscally independent and there is no financial benefit or burden relationship with the County. Therefore, it is not included in the County's financial statements.

Charlotte County Industrial Development Authority

The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointment. The Board of Supervisors appoints the board members of the Charlotte County Industrial Development Authority.

Virginia's Heartland Regional Industrial Faculty Authority

The Authority was created pursuant to the provision of Title 15.2, Chapter 64 of the Code of Virginia, 1950 as amended. The Authority's purpose is to create a regional industrial park to enhance the economic base by developing, owning or operating one or more facilities on a cooperative basis. The County appoints two of the Authority's board members. The County has no further financial responsibilities to the Authority or a financial interest for the County. Therefore, it is not included in the County's financial statements.

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 proprietary fund and 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.

COUNTY OF CHARLOTTE, VIRGINIA

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

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

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

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.

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.

1. Governmental Funds

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

a. General Fund

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

COUNTY OF CHARLOTTE, VIRGINIA

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

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

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

1. Governmental Funds

b. Special Revenue Fund

The Special Revenue Fund accounts for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The County reports one special revenue fund, the Library Fund.

c. Permanent Fund

The Permanent Fund accounts for operations of the Library Trust Fund. An endowment was placed in a nonexpendable trust fund, which maintains the integrity of the fund corpus and transfers income, as needed, in support of library operations.

2. Fiduciary Funds (Trust and Agency Funds)

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

E. Budgets and Budgetary Accounting

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

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department level or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The 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. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, Library Fund of the primary government and the School Fund and School Cafeteria Fund of the School Board.

COUNTY OF CHARLOTTE, VIRGINIA

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

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

E. Budgets and Budgetary Accounting: (Continued)

6. All budgets, except school fund and cafeteria fund, are adopted on a basis consistent with generally accepted accounting principles (GAAP). The school and cafeteria fund are adopted using the cash basis of accounting.
7. Appropriations lapse on June 30 for all county units.
8. All budgetary data presented in the accompanying financial statements is the original to the current comparison of the final budget and actual results.

F. Cash and Cash Equivalents

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

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

Investments for the government, as well as for its component unit, are reported at fair value. The Local Government Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

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 portion of interfund loans). All other outstanding balances between funds are reported as advances.

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 \$126,599 at June 30, 2010 and is comprised solely of property taxes.

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable December 5th. 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, road registered vehicles, 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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

COUNTY OF CHARLOTTE, VIRGINIA

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

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

H. Capital Assets: (Continued)

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 unit, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements	20-40
Vehicles	5
Office and Computer Equipment	5
Buses	8
Police Vehicles	3

I. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources are reported as expenditures 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 Government 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 it is estimated will be taken as "terminal leave" prior to retirement.

J. 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. 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 is 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.

COUNTY OF CHARLOTTE, VIRGINIA

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

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

K. 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.

L. 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 costs as they accrue.

M. Use of Estimates

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

Note 2—Deposits and Investments:

Deposits

All cash of the County and its discretely presented component unit 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).

The County has no formal investment policy addressing the various risks related to investments.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 2—Deposits and Investments: (Continued)

Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2010 were rated by Standard & Poor's and the ratings are presented below using Standard & Poor's rating scale.

County's Rated Debt Investments' Values		
Rated Debt Investments	Fair Quality Ratings	
	AAA	Unrated
Local Government Investment Pool	\$ 326,325	\$ -
U.S. Government Money Market	-	233,770
Total	\$ 326,325	\$ 233,770

External Investment Pools:

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

Note 3—Due From Other Governmental Units:

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

	Primary Government	Component Unit
Commonwealth of Virginia:		
Local and state sales tax	\$ 88,624	\$ 291,061
Communication tax	22,703	-
Public assistance	41,884	-
Comprehensive services	127,581	-
Mobile home titling tax	9,497	-
Recordation tax	5,471	-
Sheriff	87,127	-
Jail	61,216	-
Other state funds	188,606	-
Federal Government:		
School funds	-	149,006
Law enforcement	115,695	-
Public assistance	81,299	-
Workforce Investment Board	261,279	-
Total	\$ 1,090,982	\$ 440,067

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 4—Capital Assets:

Primary Government:

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

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>
Capital assets not being depreciated:				
Land	\$ 207,756	\$ 31,999	\$ -	\$ 239,755
Construction in progress	<u>1,420,937</u>	<u>636,962</u>	<u>2,057,899</u>	<u>-</u>
Total capital assets not being depreciated	<u>\$ 1,628,693</u>	<u>\$ 668,961</u>	<u>\$ 2,057,899</u>	<u>\$ 239,755</u>
Capital assets being depreciated:				
Buildings	\$ 4,779,570	\$ 2,057,899	\$ -	\$ 6,837,469
Equipment	1,568,433	158,300	123,166	1,603,567
Jointly owned assets	<u>1,582,863</u>	<u>-</u>	<u>237,068</u>	<u>1,345,795</u>
Total capital assets being depreciated	<u>\$ 7,930,866</u>	<u>\$ 2,216,199</u>	<u>\$ 360,234</u>	<u>\$ 9,786,831</u>
Less Accumulated depreciation for:				
Buildings	\$ 1,661,631	\$ 173,530	\$ -	\$ 1,835,161
Equipment	1,094,411	112,784	123,166	1,084,029
Jointly owned assets	<u>554,003</u>	<u>33,645</u>	<u>82,974</u>	<u>504,674</u>
Total accumulated depreciation	<u>\$ 3,310,045</u>	<u>\$ 319,959</u>	<u>\$ 206,140</u>	<u>\$ 3,423,864</u>
Total capital assets being depreciated, net	<u>\$ 4,620,821</u>	<u>\$ 1,896,240</u>	<u>\$ 154,094</u>	<u>\$ 6,362,967</u>
Governmental activities capital assets, net	<u><u>\$ 6,249,514</u></u>	<u><u>\$ 2,565,201</u></u>	<u><u>\$ 2,211,993</u></u>	<u><u>\$ 6,602,722</u></u>

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 4—Capital Assets: (Continued)

Discretely Presented Component Unit-School Board:

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Capital assets not being depreciated:				
Land	\$ 66,545	\$ -	\$ -	\$ 66,545
Total capital assets not being depreciated	\$ 66,545	\$ -	\$ -	\$ 66,545
Capital assets being depreciated:				
Buildings	\$ 4,557,611	\$ -	\$ -	\$ 4,557,611
Equipment	3,502,359	249,065	257,825	3,493,599
Jointly owned assets	6,039,086	237,068	-	6,276,154
Total capital assets being depreciated	\$ 14,099,056	\$ 486,133	\$ 257,825	\$ 14,327,364
Less Accumulated depreciation for:				
Buildings	\$ 4,214,554	\$ 271,364	\$ -	\$ 4,485,918
Equipment	2,495,192	260,858	257,825	2,498,225
Jointly owned assets	1,417,121	82,974	33,645	1,466,450
Total accumulated depreciation	\$ 8,126,867	\$ 615,196	\$ 291,470	\$ 8,450,593
Total capital assets being depreciated, net	\$ 5,972,189	\$ (129,063)	\$ (33,645)	\$ 5,876,771
Governmental activities capital assets, net	\$ 6,038,734	\$ (129,063)	\$ (33,645)	\$ 5,943,316

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government administration	\$ 47,874
Judicial administration	29,080
Public safety	74,878
Public works	106,583
Health and welfare	20,866
Education	33,645
Parks, recreation and cultural	7,033
Total	\$ 319,959
Component Unit-School Board	\$ 615,196

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 5—Compensated Absences:

In accordance with GASB statement 16 - "Accounting and Financial Reporting Principal for Claims and Judgments and Compensated Absences", the County has accrued the liability arising from outstanding claims and judgments and compensated absences.

Certain county employees (Department of Social Services employees) earn vacation and sick leave at various rates. The County had outstanding accrued vacation pay as follows:

Primary Government	\$ <u>162,219</u>
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Note 6—Long-Term Obligations:

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

Year Ending June 30,	Primary Government					
	General Obligation Bond		Lease Revenue Notes		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 246,731	\$ 80,269	\$ 113,250	\$ 17,679	\$ 23,770	\$ 1,274
2012	257,074	63,926	117,871	13,053	24,547	497
2013	268,282	46,718	122,691	8,238	2,132	6
2014	280,388	28,612	127,702	3,227	-	-
2015	293,320	9,680	10,878	37	-	-
Total	\$ <u>1,345,795</u>	\$ <u>229,205</u>	\$ <u>492,392</u>	\$ <u>42,234</u>	\$ <u>50,449</u>	\$ <u>1,777</u>

Changes in Long-Term Obligations:

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

	Amounts Payable at July 1, 2009	Additions	Deletions	Amounts Payable at June 30, 2010	Due Within One Year
Primary Government:					
Capital leases	\$ 73,467	\$ -	\$ 23,018	\$ 50,449	\$ 23,770
General obligation bonds	1,582,863	-	237,068	1,345,795	246,731
Refunding lease revenue notes	601,198	-	108,806	492,392	113,250
Compensated absences	152,449	9,770	-	162,219	16,222
Other post-employment benefits	10,000	22,200	10,400	21,800	-
Landfill postclosure and corrective action liability	1,939,931	-	82,519	1,857,412	-
Total Primary Government	\$ <u>4,359,908</u>	\$ <u>31,970</u>	\$ <u>461,811</u>	\$ <u>3,930,067</u>	\$ <u>399,973</u>

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 6—Long-Term Obligations: (Continued)

Details of Long-Term Indebtedness (Payable from the General Fund):

Refunding Lease Revenue Notes:

\$1,077,148 issued July 21, 2004 for the refinancing of existing lease revenue notes and the renovation and construction of various properties, due in monthly installments of principal and interest of \$10,911 through July 21, 2014, interest at 4.01%

\$ 492,392

Capital Lease:

\$165,769 issued August 1, 2005 for the lease/purchase of a trash truck, due in monthly installments of principal and interest of \$2,087 through August 1, 2012, interest at 3.22%

\$ 50,449

General Obligations Bonds:

\$4,211,071 Virginia Public School Authority Bonds 1994B, issued November 22, 1994, maturing annually through July 15, 2014, with interest payable semi-annually at rates from 6.10% to 6.60%.

\$ 1,345,795

Accrued Compensated Absences

\$ 162,219

Other post-employment benefits

\$ 21,800

Landfill postclosure and corrective action liability

\$ 1,857,412

Total Primary Government

\$ 3,930,067

Component Unit-School Board:

		Capital Lease	
		Principal	Interest
2011	\$	-	\$ -
2012		138,408	9,057
2013		<u>142,864</u>	<u>4,600</u>
Total	\$	<u><u>281,272</u></u>	<u><u>13,657</u></u>

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 6—Long-Term Obligations: (Continued)

Component Unit-School Board: (Continued)

The following is a summary of long-term debt transactions of the Component Unit-School Board:

	<u>Amounts Payable at July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Amounts Payable at June 30, 2010</u>	<u>Amounts Due Within One Year</u>
Capital Lease	\$ 643,541	\$ -	\$ 362,269	\$ 281,272	\$ -
Other post-employment benefits	<u>99,300</u>	<u>137,900</u>	<u>50,000</u>	<u>187,200</u>	<u>-</u>
	<u>742,841</u>	<u>137,900</u>	<u>412,269</u>	<u>468,472</u>	<u>-</u>

Details of long-term indebtedness (payable from the Component Unit-School Board):

Capital Lease:

\$911,178 issued August 16, 2005 for the lease/purchase of school buses due in annual installments of principal and interest of \$147,465 through August 19, 2012, interest at 3.22%	281,272
	\$ <u>281,272</u>
Total Capital Leases	\$ <u>281,272</u>
Other post-employment benefits	\$ <u>187,200</u>
Total Component Unit - School Board	\$ <u>468,472</u>

Note 7—Commitments and Contingencies:

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

Note 8—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 such entities.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 9—Interfund Obligation:

<u>Fund</u>	<u>Due from Component Unit School Board</u>	<u>Due to Primary Government</u>
General	\$ 780,767	\$ -
School	-	780,767
Total	<u>\$ 780,767</u>	<u>\$ 780,767</u>

Note 10—Interfund Transfers:

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ -	\$ 165,447
Library Fund	165,447	-
Component Unit:		
School Operating Fund	-	83,049
School Cafeteria Fund	83,049	-
Total	<u>\$ 248,496</u>	<u>\$ 248,496</u>

Note 11—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 for participating local law enforcement officers, firefighters, and sheriffs) payable monthly for life in an amount equal to 1.7 percent of their average final 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 CHARLOTTE, VIRGINIA

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

Note 11—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/2009AnnuRept.pdf> or obtained by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their annual salary to the VRS. This 5% 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 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's non-professional employee contribution rates for the fiscal year ended 2010 were 8.06% and 4.75% of annual covered payroll, respectively.

The School Board's contributions for professional employees were \$942,201, \$1,055,422 and \$1,156,346, to the teacher cost-sharing pool for the fiscal years ended June 30, 2010, 2009 and 2008, respectively, and these contributions represented 8.81% for July 2009 through March 2010 and 0.00% for April through June 2010, 8.81% and 10.30%, respectively, of current covered payroll.

C. Annual Pension Cost

For fiscal year ended 2010, the County's annual pension cost of \$299,355 (does not include the portion of the employee share assumed by the County which was \$185,704) was equal to the County's required and actual contributions.

For fiscal year ended 2010, the County School Board's annual pension cost for the Board's non-professional employees was \$30,231 (does not include the portion of the employee share assumed by the School Board which was \$31,822) which was equal to Board's required and actuarial contributions.

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC) (1)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
County:			
June 30, 2008	\$ 304,650	100%	\$ -
June 30, 2009	302,564	100%	-
June 30, 2010	299,355	100%	-
School Board Non-Professional:			
June 30, 2008	\$ 23,691	100%	\$ -
June 30, 2009	32,011	100%	-
June 30, 2010	30,231	100%	-

(1) Employer portion only

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 11—Defined Benefit Pension Plan: (Continued)

C. Annual Pension Cost

The required contribution was determined as part of June 30, 2007 actuarial valuation using the entry age actuarial age cost method. The actuarial 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 Plan'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 Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2007 was 20 years.

D. Funded Status and Funding Progress:

As of June 30, 2009, the most recent actuarial valuation date, the County's plan was 88.36% funded. The actuarial accrued liability for benefits was \$15,363,572, and the actuarial value of assets was \$13,574,541, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,789,031. The covered payroll (annual payroll of active employees covered by the plan) was \$3,818,614 and ratio of the UAAL to the covered payroll was 46.85%.

As of June 30, 2009, the most recent actuarial valuation date, the County School Board's plan was 102.90% funded. The actuarial accrued liability for benefits was \$3,044,360, and the actuarial value of assets was \$3,132,512, resulting in an unfunded actuarial accrued liability (UAAL) of (\$88,152). The covered payroll (annual payroll of active employees covered by the plan) was \$657,801, and ratio of UAAL to the covered payroll was (13.40%).

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 for benefits.

Note 12—Deferred Revenue:

Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Deferred revenue totaling \$3,745,420 for the primary government is comprised of the following:

- A. Deferred Property Tax Revenue - Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$3,720,200 at June 30, 2010.
- B. Prepaid Property Taxes - Property taxes due subsequent to June 30, 2010, but paid in advance by the taxpayers totaled \$25,220 at June 30, 2010.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 13—Surety Bonds:

Fidelity and Deposit Company of Maryland -Surety	
Stuart B. Fallen, Clerk of Circuit Court	\$ 100,000
Patricia Berkeley, Treasurer	400,000
Naisha N. Pridgen, Commissioner of the Revenue	3,000
Thomas D. Jones, Sheriff	30,000
The above constitutional officer's employees- blanket bond	50,000
Nationwide Insurance Agency- Surety	
Melody Hackney, Superintendent of Schools	10,000
Dana Ramsey, Clerk of the School Board	10,000
All social services employees - employee dishonesty coverage- blanket bond	100,000
Gary D. Walker, Supervisor	1,000
Haywood J. Hamlet, Supervisor	1,000
Garland H. Hamlett, Jr., Supervisor	1,000
Robert L. Shook, Jr., Supervisor	1,000
Joseph E. Carey, Sr., Supervisor	1,000
Nancy R. Carwile, Vice-Chairman	1,000
David M. Guill, Chairman	1,000
Russell B. Clark, Jr., County Administrator	1,000

Note 14—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 Virginia Municipal Group Self Insurance Association for workers' compensation. This program is administered by a servicing contractor, which furnishes claims review and processing.

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

The County continues to carry commercial insurance for all other risks of losses. Settled claims from these risks have not exceeded commercial coverage in any of the past three fiscal years.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15—Jail Funds:

A summary of activity from the special accounts at the Charlotte County Sheriff's Office for the year ended June 30, 2010:

	<u>Receipts</u>	<u>Disbursements</u>	<u>Excess of Receipts over (under) Disbursements</u>
Inmate Canteen Account	\$ 19,774	\$ 19,972	\$ (198)
Commissary (Operating) Account	5,725	5,827	(102)
Inmate Accounts	240,677	231,271	9,406
Jail Telephone Commissions	14,298	14,057	241
Petty Cash	<u>14,345</u>	<u>10,132</u>	<u>4,213</u>
Totals	\$ <u>294,819</u>	\$ <u>281,259</u>	\$ <u>13,560</u>

Note 16—Solid Waste Landfill Postclosure Care and Corrective Action Costs:

The County has closed a previously operated solid waste landfill in such a manner as to comply with laws and regulations administered by the United States Environmental Protection Agency and Virginia Department of Waste Management. The total \$1,857,412 reported as landfill postclosure care and corrective action liability at June 30, 2010, represents \$1,486,015 for postclosure care liability and \$371,397 for ground water corrective action and remediation.

The County has demonstrated financial assurance requirements for 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. The County intends to fund these costs from accumulated funds held in the general fund.

Note 17—Other Post-Employment Benefits Program:

County:

Background

Beginning in fiscal year 2009, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 45 for other post-employment benefits (OPEB) offered to retirees. This standard addresses how local governments should account for and report their costs related to post-employment health-care and non-pension benefits, such as the County's retiree health benefit subsidy. Historically, the County's subsidy was funded on a pay-as-you go basis, but GASB Statement No. 45 requires that the County accrue the cost of the retiree health subsidy and other post-employment benefits during the period of the employees' active employment, while the benefits are being earned, and disclose the unfunded actuarial accrued liability in order to accurately account for the total future cost of post-employment benefits and the financial impact on the County. This funding methodology mirrors the funding approach used for pension benefits.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 17—Other Post-Employment Benefits Program: (Continued)

County:

Background

A. Plan Description:

In addition to the pension benefits described in Note 11, the County provides post-retirement healthcare insurance benefits for employees who are eligible for retirement benefits. Individuals who retire from the County with full VRS benefits (i.e. 50 years of age and 30 years of continuous service) and have 15 years of service with the County, may elect to remain on the County's insurance plan, at their own cost, until age 65 when they become eligible for Medicare, at which time benefits cease. The retiree's spouse can receive benefits under the plan with the premium to be paid by the retiree.

B. Funding Policy

Eligible retirees from the County may elect to remain on the County's health and dental insurance plans, at their expense, until they reach age 65 or become eligible for Medicare. Retirees' spouses may also remain on the County Plan at the retiree's expense.

C. Annual OPEB Cost and Net OPEB Obligation:

The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding, that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of not to exceed thirty years. The following table shows the components of the annual OPEB cost for the year, the County's amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual required contribution	\$	22,200
Interest on net OPEB obligation		400
Adjustment to annual required contribution		(400)
Annual OPEB cost (expense)	\$	22,200
Estimated contributions made		(10,400)
Increase in net OPEB obligation	\$	11,800
Net OPEB obligation - beginning of year		10,000
Net OPEB obligation - end of year	\$	21,800

For 2010, the County's expected cash payment of \$10,400 was \$11,800 less than the OPEB cost. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 and 2010 are as follows:

Fiscal Year Ended	Annual Required Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2009	\$ 21,300	53%	\$ 10,000
June 30, 2010	22,200	50%	21,800

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 17—Other Post-Employment Benefits Program: (Continued)

County: (continued)

C. Annual OPEB Cost and Net OPEB Obligation: (continued)

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2009 is as follows:

Actuarial accrued liability (AAL)	\$	255,200
Actuarial value of plan assets		-
Unfunded actuarial accrued liability (UAAL)		255,200
Funded ratio (actuarial value of plan assets / AAL)		0%
Covered payroll (active plan members)		3,950,000
UAAL as a percentage of covered payroll		6.46%

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 include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions 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 the plan members) and include the types of benefits provided at the time of the valuation and the historical pattern of sharing of benefit costs between the employer and time of the 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.

In the July 1, 2008 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return and an annual healthcare cost trend rate of 10.00 percent initially, reduced by decrements to an ultimate rate of 5.50 percent after 5 years. Both rates included a 3.00 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five year-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2008 was 30 years.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 17—Other Post-Employment Benefits Program: (Continued)

County: (continued)

C. Annual OPEB Cost and Net OPEB Obligation: (continued)

Cost Method

The entry age normal cost method is used to determine the plan's funding liabilities and costs. Under this cost method, the actuarial present value of projected benefits of every active participant as if the plan's provisions on the valuation date had always been in effect, is determined as a level percentage of expected annual earnings for each future year of expected service. A normal cost for each year from the assumed entry date is determined by applying this level percentage of pay to the assumed earnings for that year (or if benefits are not pay related, the level amount for each year).

Under these methods, inactive participants have nor normal cost, and their actuarial liability is the present value of the plan benefits to which they and their beneficiaries are entitled. The plan's total annual normal cost and actuarial liability are the sum of the individual participant amounts.

An experience gain or loss is a decrease or increase in the unfunded actuarial liability attributable to actual experience that differed from that expected by the actuarial assumptions. Such gains or losses are explicitly recognized under this method.

Interest Assumptions

	<u>Unfunded</u>
Discount rate	4.00%
Health cost trend assumption	10.00%
Payroll growth	3.00%

School Board:

A. Plan Description

In addition to the pension benefits described in Note 11, the School Board provides post-retirement healthcare insurance benefits for employees who are eligible for retirement benefits. Individuals who retire from the School Board at age 55 with 5 years of service, age 50 with 10 years of service, or with 30 years of service are eligible to remain on the School Board's health insurance plan. The retiree is responsible for 100% premium. Coverage ceases at age 65, or when the retiree becomes eligible for Medicare. The retiree's spouse can receive benefits under the plan with the premium to be paid by the retiree.

B. Funding Policy

Eligible retirees from the School Board may elect to remain on the School Board's health insurance plan, at their expense, until they reach age 65 or become eligible for Medicare. Retirees' spouses may also remain on the plan at the retiree's expense.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 17—Other Post-Employment Benefits Program: (Continued)

School Board: (continued)

C. Annual OPEB Cost and Net OPEB Obligation:

The School Board's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding, that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table show the components of the annual OPEB cost for the year, the School Board's amount actually contributed to the plan, and changes in the School Board's net OPEB obligation:

Annual required contribution	\$ 137,800
Interest on net OPEB obligation	4,000
Adjustment to annual required contribution	(3,900)
Annual OPEB cost (expense)	\$ 137,900
Estimated contributions made	(50,000)
Increase in net OPEB obligation	\$ 87,900
Net OPEB obligation - beginning of year	99,300
Net OPEB obligation - end of year	\$ 187,200

For 2010, the School Board's expected cash payment of \$50,000 was \$87,900 less than the OPEB cost. The School Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 and 2010 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2009	\$ 130,800	24%	\$ 99,300
June 30, 2010	137,800	30%	187,200

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2009 is as follows:

Actuarial accrued liability (AAL)	\$ 1,543,800
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	1,543,800
Funded ratio (actuarial value of plan assets / AAL)	0%
Covered payroll (active plan members)	13,093,000
UAAL as a percentage of covered payroll	11.79%

Note 17—Other Post-Employment Benefits Program: (Continued)

School Board: (continued)

C. Annual OPEB Cost and Net OPEB Obligation: (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 include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions 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 then plan members) and include the types of benefits provided at the time of the 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.

In July 1, 2008 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return and an annual healthcare cost trend rate of 10.00 percent initially, reduced by decrements to an ultimate rate of 5.5 percent after 5 years. Both rates included 3.0 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2008 was 30 years.

Cost Method

The entry age normal cost method is used to determine the plan's funding liabilities and costs. Under this cost method, the actuarial present value of projected benefits of every active participant as if the plan's provisions on the valuation date had always been in effect, is determined as a level percentage of expected annual earnings for each future year of expected service. A normal cost for each year from the assumed entry date is determined by applying this level percentage of pay to the assumed earnings for that year (or if benefits are not pay related, the level amount for each year).

Under these methods, inactive participants have no normal cost, and their actuarial liability is the present value of the plan benefits to which they and their beneficiaries are entitled. The plan's total annual normal cost and actuarial liability are the sum of the individual participant amounts.

An experience gain or loss is a decrease or increase in the unfunded actuarial liability attributable to actual experience that differed from that expected by the actuarial assumptions. Such gains or losses are explicitly recognized under this method.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 17—Other Post-Employment Benefits Program: (Continued)

School Board: (continued)

C. Annual OPEB Cost and Net OPEB Obligation: (continued)

Interest Assumptions

	<u>Unfunded</u>
Discount rate	4.00%
Health cost trend assumption	10.00%
Payroll growth	3.00%

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REQUIRED SUPPLEMENTARY INFORMATION

Note to Required Supplementary Information:

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

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General Fund

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

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
General property taxes	\$ 6,162,712	\$ 6,162,712	\$ 6,109,338	\$ (53,374)
Other local taxes	1,035,000	1,035,000	1,017,490	(17,510)
Permits, privilege fees, and regulatory licenses	28,550	28,550	52,931	24,381
Fines and forfeitures	165,000	165,000	166,714	1,714
Revenue from the use of money and property	341,643	341,643	256,639	(85,004)
Charges for services	399,483	399,483	403,668	4,185
Miscellaneous	461,352	461,352	682,828	221,476
Intergovernmental revenues:				
Commonwealth	5,994,472	4,912,505	4,578,232	(334,273)
Federal	1,593,944	6,855,948	5,815,767	(1,040,181)
Total revenues	<u>\$ 16,182,156</u>	<u>\$ 20,362,193</u>	<u>\$ 19,083,607</u>	<u>\$ (1,278,586)</u>
EXPENDITURES				
Current:				
General government administration	\$ 1,100,020	\$ 1,106,515	\$ 1,022,532	\$ 83,983
Judicial administration	554,565	578,522	520,384	58,138
Public safety	3,621,747	3,656,979	3,381,657	275,322
Public works	1,187,017	1,307,628	1,247,171	60,457
Health and welfare	5,490,987	7,009,057	6,271,008	738,049
Education	3,518,026	3,518,026	3,029,160	488,866
Parks, recreation, and cultural	68,030	68,030	63,480	4,550
Community development	245,679	2,890,542	2,524,469	366,073
Nondepartmental	103,903	104,325	104,325	-
Debt service:				
Principal retirement	333,000	333,000	368,892	(35,892)
Interest and other fiscal charges	130,930	130,930	120,081	10,849
Total expenditures	<u>\$ 16,353,904</u>	<u>\$ 20,703,554</u>	<u>\$ 18,653,159</u>	<u>\$ 2,050,395</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (171,748)</u>	<u>\$ (341,361)</u>	<u>\$ 430,448</u>	<u>\$ 771,809</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers (out)	<u>\$ (183,000)</u>	<u>\$ (183,000)</u>	<u>\$ (165,447)</u>	<u>\$ 17,553</u>
Net change in fund balances	<u>\$ (354,748)</u>	<u>\$ (524,361)</u>	<u>\$ 265,001</u>	<u>\$ 789,362</u>
Fund balances - beginning	354,748	524,361	6,088,007	5,563,646
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,353,008</u>	<u>\$ 6,353,008</u>

Required Supplementary Information
Schedule of Pension Funding Progress
Last Three Fiscal Years

Primary Government
County Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Excess Funded) Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as % of Covered Payroll ((a-b)/c)
06/30/07	\$ 11,904,270	\$ 12,826,467	\$ 922,197	92.81%	\$ 3,601,942	25.60%
06/30/08	13,161,013	14,339,336	1,178,323	91.78%	3,860,779	30.52%
06/30/09	13,574,541	15,363,572	1,789,031	88.36%	3,818,614	46.85%

Discretely Presented Component Unit:
School Board Non-Professional Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Excess Funded) Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as % of Covered Payroll ((a-b)/c)
06/30/07	\$ 2,936,957	\$ 2,903,099	\$ (33,858)	101.17%	\$ 707,981	(4.78%)
06/30/08	3,169,017	2,993,801	(175,216)	105.85%	682,436	(25.68%)
06/30/09	3,132,512	3,044,360	(88,152)	102.90%	657,801	(13.40%)

Required Supplementary Information
Schedule of Other Post-Employment Benefits Funding Progress
Last Two Fiscal Years

Primary Government

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Excess Funded) Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as % of Covered Payroll ((a-b)/c)
07/01/08	\$ -	\$ 245,000	\$ 245,000	0.00%	\$ 3,834,500	6.39%
(R) 07/01/09	-	255,200	255,200	0.00%	3,950,000	6.46%

Discretely Presented Component Unit:**School Board**

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Excess Funded) Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as % of Covered Payroll ((a-b)/c)
07/01/08	\$ -	\$ 1,442,100	\$ 1,442,100	0.00%	\$ 12,711,200	11.35%
(R) 07/01/09	-	1,543,800	1,543,800	0.00%	13,093,000	11.79%

(R) - Roll forward of prior year's results

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OTHER SUPPLEMENTARY INFORMATION

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Combining and Individual Fund Statements and Schedules

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Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2010

	Special Revenue Fund	Permanent Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 55	\$ -	\$ 55
Investments	-	233,771	233,771
Total assets	<u>\$ 55</u>	<u>\$ 233,771</u>	<u>\$ 233,826</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 15,516	\$ -	\$ 15,516
Total liabilities	<u>\$ 15,516</u>	<u>\$ -</u>	<u>\$ 15,516</u>
Fund balances:			
Reserved for:			
Library	\$ -	\$ 233,771	\$ 233,771
Unreserved:			
Undesignated	(15,461)	-	(15,461)
Total fund balances	<u>\$ (15,461)</u>	<u>\$ 233,771</u>	<u>\$ 218,310</u>
Total liabilities and fund balances	<u>\$ 55</u>	<u>\$ 233,771</u>	<u>\$ 233,826</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2010

	Special Revenue Fund	Permanent Fund	Total Nonmajor Funds
REVENUES			
Revenue from the use of money and property	\$ -	\$ 30,100	\$ 30,100
Charges for services	2,880	-	2,880
Miscellaneous	-	325	325
Intergovernmental revenues:			
Commonwealth	59,835	-	59,835
Total revenues	<u>\$ 62,715</u>	<u>\$ 30,425</u>	<u>\$ 93,140</u>
EXPENDITURES			
Current:			
Parks, recreation, and cultural	\$ 243,679	\$ 6,492	\$ 250,171
Total expenditures	<u>\$ 243,679</u>	<u>\$ 6,492</u>	<u>\$ 250,171</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (180,964)</u>	<u>\$ 23,933</u>	<u>\$ (157,031)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 165,447	\$ -	\$ 165,447
Total other financing sources	<u>\$ 165,447</u>	<u>\$ -</u>	<u>\$ 165,447</u>
Net change in fund balances	\$ (15,517)	\$ 23,933	\$ 8,416
Fund balances - beginning	56	209,838	209,894
Fund balances - ending	<u><u>\$ (15,461)</u></u>	<u><u>\$ 233,771</u></u>	<u><u>\$ 218,310</u></u>

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

	Library Fund			Variance with Final Budget Positive Negative
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ 3,360	\$ 3,360	\$ 2,880	\$ (480)
Intergovernmental revenues:				
Commonwealth	62,437	62,437	59,835	(2,602)
Total revenues	\$ 65,797	\$ 65,797	\$ 62,715	\$ (3,082)
EXPENDITURES				
Current:				
Parks, recreation, and cultural	\$ 248,797	\$ 248,797	\$ 243,679	\$ 5,118
Total expenditures	\$ 248,797	\$ 248,797	\$ 243,679	\$ 5,118
Excess (deficiency) of revenues over (under) expenditures	\$ (183,000)	\$ (183,000)	\$ (180,964)	\$ 2,036
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 183,000	\$ 183,000	\$ 165,447	\$ (17,553)
Total other financing sources and uses	\$ 183,000	\$ 183,000	\$ 165,447	\$ (17,553)
Net change in fund balances	\$ -	\$ -	\$ (15,517)	\$ (15,517)
Fund balances - beginning	-	-	56	56
Fund balances - ending	\$ -	\$ -	\$ (15,461)	\$ (15,461)

Combining Statement of Fiduciary Net Assets
 Fiduciary Funds
 June 30, 2010

	Agency Funds				
	Special Welfare	No Child Left Behind	Virtual Virginia	Sheriff	Total
ASSETS					
Cash and cash equivalents	\$ 27,132	\$ 163,695	\$ 299,797	\$ 42,777	\$ 533,401
Due from other governments	-	16,967	-	-	16,967
Total assets	<u>\$ 27,132</u>	<u>\$ 180,662</u>	<u>\$ 299,797</u>	<u>\$ 42,777</u>	<u>\$ 550,368</u>
LIABILITIES					
Amounts held for social services clients	\$ 27,132	\$ -	\$ -	\$ -	\$ 27,132
Accounts payable	-	-	105,599	-	105,599
Amounts held for others	-	180,662	194,198	42,777	417,637
Total liabilities	<u>\$ 27,132</u>	<u>\$ 180,662</u>	<u>\$ 299,797</u>	<u>\$ 42,777</u>	<u>\$ 550,368</u>

Agency Funds
Combining Statement of Changes in Assets and Liabilities
Year Ended June 30, 2010

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Special Welfare Fund:				
Assets:				
Cash	\$ <u>31,092</u>	\$ <u>21,445</u>	\$ <u>25,405</u>	\$ <u>27,132</u>
Liabilities:				
Amounts held for social service clients	\$ <u>31,092</u>	\$ <u>21,445</u>	\$ <u>25,405</u>	\$ <u>27,132</u>
No Child Left Behind Fund:				
Assets:				
Cash	\$ 127,236	\$ 754,566	\$ 718,107	\$ 163,695
Due from other governments:	<u>18,514</u>	<u>16,967</u>	<u>18,514</u>	<u>16,967</u>
Total assets	\$ <u>145,750</u>	\$ <u>771,533</u>	\$ <u>736,621</u>	\$ <u>180,662</u>
Liabilities:				
Accounts payable	\$ 16,573	\$ -	\$ 16,573	\$ -
Amounts held for others	<u>129,177</u>	<u>771,533</u>	<u>720,048</u>	<u>180,662</u>
Total liabilities	\$ <u>145,750</u>	\$ <u>771,533</u>	\$ <u>736,621</u>	\$ <u>180,662</u>
Virtual Virginia Fund:				
Assets:				
Cash	\$ <u>139,548</u>	\$ <u>2,424,228</u>	\$ <u>2,263,979</u>	\$ <u>299,797</u>
Total assets	\$ <u>139,548</u>	\$ <u>2,424,228</u>	\$ <u>2,263,979</u>	\$ <u>299,797</u>
Liabilities:				
Accounts payable	\$ 141,517	\$ 105,599	\$ 141,517	\$ 105,599
Amounts held for others	<u>(1,969)</u>	<u>2,318,629</u>	<u>2,122,462</u>	<u>194,198</u>
Total liabilities	\$ <u>139,548</u>	\$ <u>2,424,228</u>	\$ <u>2,263,979</u>	\$ <u>299,797</u>
Sheriff Funds:				
Assets:				
Cash	\$ <u>29,217</u>	\$ <u>294,819</u>	\$ <u>281,259</u>	\$ <u>42,777</u>
Liabilities:				
Amounts held for others	\$ <u>29,217</u>	\$ <u>294,819</u>	\$ <u>281,259</u>	\$ <u>42,777</u>
Totals -- All agency funds:				
Assets:				
Cash	\$ 327,093	\$ 3,495,058	\$ 3,288,750	\$ 533,401
Due from other governments	<u>18,514</u>	<u>16,967</u>	<u>18,514</u>	<u>16,967</u>
Total assets	<u>345,607</u>	<u>3,512,025</u>	<u>3,307,264</u>	\$ <u>550,368</u>
Liabilities:				
Amounts held for social service clients	\$ 31,092	\$ 21,445	\$ 25,405	\$ 27,132
Accounts payable	158,090	105,599	158,090	105,599
Amounts held for others	<u>156,425</u>	<u>3,384,981</u>	<u>3,123,769</u>	<u>417,637</u>
Total liabilities	\$ <u>345,607</u>	\$ <u>3,512,025</u>	\$ <u>3,307,264</u>	\$ <u>550,368</u>

Combining Balance Sheet
Discretely Presented Component Unit - School Board
June 30, 2010

	School Operating Fund	School Cafeteria Fund	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 857,736	\$ 103,470	\$ 961,206
Investments	326,325	-	326,325
Receivables (net of allowance for uncollectibles):			
Accounts receivable	7,863	-	7,863
School food inventory	-	14,395	14,395
Due from other governmental units	440,067	-	440,067
Prepaid expenses	460,412	-	460,412
Total assets	<u>\$ 2,092,403</u>	<u>\$ 117,865</u>	<u>\$ 2,210,268</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 127,875	\$ 7,876	\$ 135,751
Accrued liabilities	857,436	30,025	887,461
Due to primary government	780,767	-	780,767
Total liabilities	<u>\$ 1,766,078</u>	<u>\$ 37,901</u>	<u>\$ 1,803,979</u>
Fund balances:			
Unreserved:			
Designated for subsequent expenditure	\$ 326,325	\$ 79,964	\$ 406,289
Total fund balances	<u>\$ 326,325</u>	<u>\$ 79,964</u>	<u>\$ 406,289</u>
Total liabilities and fund balances	<u>\$ 2,092,403</u>	<u>\$ 117,865</u>	<u>\$ 2,210,268</u>

Amounts reported for governmental activities in the Statement of Net Assets (Exhibit 1) are different because:

Total fund balances per above	\$ 406,289
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	5,943,316
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(468,472)</u>
Net assets of governmental activities	<u>\$ 5,881,133</u>

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	Total Governmental Funds
REVENUES			
Revenue from the use of money and property	\$ 979	\$ 547	\$ 1,526
Charges for services	(74)	472,629	472,555
Miscellaneous	320,286	-	320,286
Intergovernmental revenues:			
Local government	3,025,717	-	3,025,717
Commonwealth	13,491,170	16,447	13,507,617
Federal	2,931,323	759,776	3,691,099
Total revenues	\$ 19,769,401	\$ 1,249,399	\$ 21,018,800
EXPENDITURES			
Current:			
Education	\$ 19,292,092	\$ 1,218,070	\$ 20,510,162
Debt service:			
Principal retirement	362,269	-	362,269
Interest and other fiscal charges	30,932	-	30,932
Total expenditures	\$ 19,685,293	\$ 1,218,070	\$ 20,903,363
Excess (deficiency) of revenues over (under) expenditures	\$ 84,108	\$ 31,329	\$ 115,437
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ -	\$ 83,049	\$ 83,049
Transfers out	(83,049)	-	(83,049)
Total other financing sources and uses	\$ (83,049)	\$ 83,049	\$ -
Net change in fund balances	\$ 1,059	\$ 114,378	\$ 115,437
Fund balances - beginning	325,266	(34,414)	290,852
Fund balances - ending	\$ 326,325	\$ 79,964	\$ 406,289

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	\$ 115,437
--	------------

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

Capital outlay	\$ 249,065	
Depreciation expense	(532,222)	
Joint assets - net	187,739	(95,418)

The issuance of capital 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 of these differences in the treatment of long-term debt and related items.

Principal payments	362,269	362,269
--------------------	---------	---------

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

(Increase) in other post-employment benefits liability	(87,900)	(87,900)
Change in net assets of governmental activities	\$ 294,388	

COUNTY OF CHARLOTTE, 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			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 979	\$ 979
Charges for services	-	-	(74)	(74)
Miscellaneous	169,942	163,454	320,286	156,832
Intergovernmental revenues:				
Local government	3,847,583	3,847,583	3,025,717	(821,866)
Commonwealth	14,985,897	15,022,497	13,491,170	(1,531,327)
Federal	2,393,010	3,570,417	2,931,323	(639,094)
Total revenues	\$ 21,396,432	\$ 22,603,951	\$ 19,769,401	\$ (2,834,550)
EXPENDITURES				
Current:				
Education	\$ 21,063,432	\$ 22,270,951	\$ 19,292,092	\$ 2,978,859
Debt service:				
Principal retirement	237,068	237,068	362,269	(125,201)
Interest and other fiscal charges	95,932	95,932	30,932	65,000
Total expenditures	\$ 21,396,432	\$ 22,603,951	\$ 19,685,293	\$ 2,918,658
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 84,108	\$ 84,108
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ -	\$ -	\$ (83,049)	\$ (83,049)
Transfers in	-	-	-	-
Total other financing sources and uses	\$ -	\$ -	\$ (83,049)	\$ (83,049)
Net change in fund balances	\$ -	\$ -	\$ 1,059	\$ 1,059
Fund balances - beginning	-	-	325,266	325,266
Fund balances - ending	\$ -	\$ -	\$ 326,325	\$ 326,325

Exhibit 18

School Cafeteria Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ 547	\$ 547
492,907	518,041	472,629	(45,412)
-	-	-	-
-	-	-	-
4,455	4,455	16,447	11,992
659,890	647,323	759,776	112,453
<u>\$ 1,157,252</u>	<u>\$ 1,169,819</u>	<u>\$ 1,249,399</u>	<u>\$ 79,580</u>
\$ 1,157,252	\$ 1,169,819	\$ 1,218,070	\$ (48,251)
-	-	-	-
-	-	-	-
<u>\$ 1,157,252</u>	<u>\$ 1,169,819</u>	<u>\$ 1,218,070</u>	<u>\$ (48,251)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,329</u>	<u>\$ 31,329</u>
\$ -	\$ -	\$ -	\$ -
-	-	83,049	83,049
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,049</u>	<u>\$ 83,049</u>
\$ -	\$ -	\$ 114,378	\$ 114,378
-	-	(34,414)	(34,414)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,964</u>	<u>\$ 79,964</u>

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Supporting Schedules

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 3,859,112	\$ 3,859,112	\$ 4,029,866	\$ 170,754
Real and personal public service corporation taxes	236,000	236,000	229,430	(6,570)
Personal property taxes	1,754,600	1,754,600	1,499,152	(255,448)
Mobile home taxes	25,000	25,000	28,278	3,278
Machinery and tools taxes	176,000	176,000	173,117	(2,883)
Merchant's capital taxes	25,000	25,000	26,939	1,939
Penalties	57,000	57,000	76,053	19,053
Interest	30,000	30,000	46,503	16,503
Total general property taxes	\$ 6,162,712	\$ 6,162,712	\$ 6,109,338	\$ (53,374)
Other local taxes:				
Local sales and use taxes	\$ 500,000	\$ 500,000	\$ 474,198	\$ (25,802)
Consumers' utility taxes	190,000	190,000	196,682	6,682
Motor vehicle licenses	250,000	250,000	276,522	26,522
Taxes on recordation and wills	70,000	70,000	42,221	(27,779)
Utility consumption taxes	25,000	25,000	27,867	2,867
Total other local taxes	\$ 1,035,000	\$ 1,035,000	\$ 1,017,490	\$ (17,510)
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 8,000	\$ 8,000	\$ 9,116	\$ 1,116
Transfer fees	450	450	409	(41)
Permits and other licenses	20,100	20,100	43,406	23,306
Total permits, privilege fees, and regulatory licenses	\$ 28,550	\$ 28,550	\$ 52,931	\$ 24,381
Fines and forfeitures:				
Court fines and forfeitures	\$ 165,000	\$ 165,000	\$ 166,714	\$ 1,714
Revenue from use of money and property:				
Revenue from use of money	\$ 124,000	\$ 124,000	\$ 46,958	\$ (77,042)
Revenue from use of property	217,643	217,643	209,681	(7,962)
Total revenue from use of money and property	\$ 341,643	\$ 341,643	\$ 256,639	\$ (85,004)
Charges for services:				
Charges for work release/inmate fees	\$ 18,233	\$ 18,233	\$ 62,198	\$ 43,965
Charges for law enforcement and traffic control	3,500	3,500	3,126	(374)
Jail bed days - other localities	300,000	300,000	277,320	(22,680)
Law library fees	1,500	1,500	1,258	(242)
Courthouse security fees	45,000	45,000	40,267	(4,733)
Courthouse maintenance fees	11,000	11,000	9,237	(1,763)
Charges for Commonwealth's Attorney	250	250	204	(46)
Charges for sanitation and waste removal	20,000	20,000	10,058	(9,942)
Total charges for services	\$ 399,483	\$ 399,483	\$ 403,668	\$ 4,185

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Miscellaneous revenue:				
Miscellaneous	\$ 461,352	\$ 461,352	\$ 682,828	\$ 221,476
Total revenue from local sources	\$ 8,593,740	\$ 8,593,740	\$ 8,689,608	\$ 95,868
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carrier tax	\$ 67,000	\$ 67,000	\$ 74,298	\$ 7,298
Mobile home titling tax	26,000	26,000	32,101	6,101
Tax on deeds (grantor tax)	17,000	17,000	29,855	12,855
Auto rental tax	-	-	650	650
Aid to Commonwealth	(104,600)	(104,600)	(104,600)	-
Communication sales and use tax	146,000	146,000	135,419	(10,581)
Personal property tax relief funds	686,900	686,900	686,910	10
Total noncategorical aid	\$ 838,300	\$ 838,300	\$ 854,633	\$ 16,333
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 155,193	\$ 155,193	\$ 152,168	\$ (3,025)
Sheriff	1,248,000	1,248,000	1,031,578	(216,422)
Commissioner of revenue	84,970	84,970	80,505	(4,465)
Treasurer	94,699	94,699	89,898	(4,801)
Registrar/electoral board	47,168	47,168	43,285	(3,883)
DMV license agent	32,000	32,000	31,082	(918)
Clerk of the Circuit Court	181,179	181,179	168,588	(12,591)
Total shared expenses	\$ 1,843,209	\$ 1,843,209	\$ 1,597,104	\$ (246,105)
Other categorical aid:				
Litter control	\$ 9,300	\$ 9,300	\$ 9,125	\$ (175)
Fire programs funds	26,874	27,030	28,933	1,903
Prisoner days	360,000	360,000	228,980	(131,020)
VJCCCA grant	85,787	85,787	79,167	(6,620)
WIB fiscal agent fees	20,000	20,000	20,000	-
Victim witness	24,930	24,930	6,304	(18,626)
E911 wireless	12,000	12,000	47,614	35,614
Records preservation grant	-	-	12,723	12,723
Public assistance and welfare administration	1,950,305	25,000	587,202	562,202
Comprehensive services act funds	812,500	812,500	444,340	(368,160)
Emergency services	11,267	11,970	11,970	-
Tobacco indemnification grants	-	742,479	549,635	(192,844)
Other categorical aid	-	100,000	100,502	502
Total other categorical aid	\$ 3,312,963	\$ 2,230,996	\$ 2,126,495	\$ (104,501)
Total categorical aid	\$ 5,156,172	\$ 4,074,205	\$ 3,723,599	\$ (350,606)
Total revenue from the Commonwealth	\$ 5,994,472	\$ 4,912,505	\$ 4,578,232	\$ (334,273)

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from the federal government:				
Payments in lieu of taxes	\$ 3,000	\$ 3,000	\$ 8,274	\$ 5,274
Categorical aid:				
Emergency services	\$ 5,600	\$ 5,600	\$ 5,600	\$ -
CDBG	-	92,343	87,343	(5,000)
ARRA Justice assistance	-	-	65,076	65,076
Victim witness	3,000	3,000	18,612	15,612
Bulletproof vest grant	-	-	8,867	8,867
Local law enforcement block grant	-	-	511	511
Regional interoperable grant	-	1,708,036	1,416,858	(291,178)
Welfare administration and assistance	25,000	1,950,305	1,174,331	(775,974)
Homeland security	-	18,250	-	(18,250)
Workforce investment act	1,546,744	3,064,814	3,015,760	(49,054)
Ground transportation grant	10,600	10,600	14,535	3,935
Total categorical aid	\$ 1,590,944	\$ 6,852,948	\$ 5,807,493	\$ (1,045,455)
Total revenue from the federal government	\$ 1,593,944	\$ 6,855,948	\$ 5,815,767	\$ (1,040,181)
Total General Fund	\$ 16,182,156	\$ 20,362,193	\$ 19,083,607	\$ (1,278,586)
Nonmajor Funds:				
Special Revenue Fund:				
Library Fund				
Revenue from local sources:				
Charges for services:				
Other charges for services	\$ 3,360	\$ 3,360	\$ 2,880	\$ (480)
Revenue from the Commonwealth:				
Categorical aid:				
State library funds	\$ 62,437	\$ 62,437	\$ 59,835	\$ (2,602)
Total Library Fund	\$ 65,797	\$ 65,797	\$ 62,715	\$ (3,082)
Permanent Fund:				
Library Trust Fund				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 30,100	\$ 30,100
Miscellaneous revenue:				
Miscellaneous	\$ -	\$ -	\$ 325	\$ 325
Total Library Trust Fund	\$ -	\$ -	\$ 30,425	\$ 30,425
Total Non-major funds	\$ 65,797	\$ 65,797	\$ 93,140	\$ 27,343
Total Primary Government	\$ 16,247,953	\$ 20,427,990	\$ 19,176,747	\$ (1,251,243)

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board:				
Special Revenue Funds:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 979	\$ 979
Total revenue from use of money and property	\$ -	\$ -	\$ 979	\$ 979
Charges for services:				
Charges for education	\$ -	\$ -	\$ (74)	\$ (74)
Miscellaneous revenue:				
Other miscellaneous	\$ 169,942	\$ 163,454	\$ 320,286	\$ 156,832
Total revenue from local sources	\$ 169,942	\$ 163,454	\$ 321,191	\$ 157,737
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Charlotte, Virginia	\$ 3,847,583	\$ 3,847,583	\$ 3,025,717	\$ (821,866)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 1,744,225	\$ 1,744,225	\$ 1,655,948	\$ (88,277)
Basic school aid	8,341,991	8,341,991	7,670,245	(671,746)
Remedial education	214,966	214,966	217,302	2,336
Regular foster care	10,260	10,260	2,106	(8,154)
GED	7,859	7,859	7,859	-
Gifted and talented	73,284	73,284	74,080	796
Remedial summer education	71,053	71,053	63,241	(7,812)
Special education	1,234,427	1,234,427	1,247,840	13,413
Textbook payment	193,014	193,014	87,935	(105,079)
Vocational education	252,507	252,507	250,343	(2,164)
Fringe Benefits	1,089,487	1,089,487	944,934	(144,553)
State lottery payments	147,985	147,985	190,057	42,072
Class size reduction	252,824	252,824	259,546	6,722
Enrollment loss	75,708	75,708	-	(75,708)
Governor's school	486,969	486,969	-	(486,969)
Algebra readiness	30,021	30,021	30,021	-
Technology	206,000	206,000	232,000	26,000
At risk	239,757	239,757	424,259	184,502
Early reading	26,942	26,942	26,942	-
Other state funds	286,618	323,218	106,512	(216,706)
Total categorical aid	\$ 14,985,897	\$ 15,022,497	\$ 13,491,170	\$ (1,531,327)
Total revenue from the Commonwealth	\$ 14,985,897	\$ 15,022,497	\$ 13,491,170	\$ (1,531,327)

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2010 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board:				
School Operating Fund: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 1,184,365	\$ 1,184,365	\$ 436,525	\$ (747,840)
Title VI-B, special education flow-through	457,154	457,154	370,710	(86,444)
Vocational education	47,000	47,000	39,551	(7,449)
Title VI-B, special education pre-school	18,593	18,593	29,072	10,479
EESA - Title II	160,708	160,708	118,276	(42,432)
Title III	2,153	2,153	-	(2,153)
Title VI	33,460	33,460	-	(33,460)
Education technology	-	-	4,539	4,539
Reading first grant	38,650	38,650	38,348	(302)
Rural schools	20,371	20,371	46,544	26,173
Gear up grant	22,070	22,070	28,265	6,195
Drug free schools	11,908	11,908	9,000	(2,908)
Title IV Part B	343,987	343,987	113,731	(230,256)
Summer food service	31,222	31,222	74,573	43,351
ARRA Preschool	-	8,080	7,460	(620)
ARRA Title VI-B	-	239,939	220,385	(19,554)
ARRA State Fiscal Stabilization	-	925,757	1,309,589	383,832
ARRA Education technology	-	-	15,071	15,071
ARRA Title I	-	-	69,684	69,684
Jobs for Virginia graduates	21,369	25,000	-	(25,000)
Total categorical aid	\$ 2,393,010	\$ 3,570,417	\$ 2,931,323	\$ (639,094)
Total School Operating Fund	\$ 21,396,432	\$ 22,603,951	\$ 19,769,401	\$ (2,834,550)
School Cafeteria Fund:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 547	\$ 547
Charges for services:				
Cafeteria sales	\$ 492,907	\$ 518,041	\$ 472,629	\$ (45,412)
Total revenue from local sources	\$ 492,907	\$ 518,041	\$ 473,176	\$ (44,865)
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 4,455	\$ 4,455	\$ 16,447	\$ 11,992
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 659,890	\$ 647,323	\$ 759,776	\$ 112,453
Total School Cafeteria Fund	\$ 1,157,252	\$ 1,169,819	\$ 1,249,399	\$ 79,580
Total Discretely Presented Component Unit - School Board	\$ 22,553,684	\$ 23,773,770	\$ 21,018,800	\$ (2,754,970)

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

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 98,988	\$ 98,988	\$ 92,556	\$ 6,432
General and financial administration:				
County administrator	\$ 369,516	\$ 369,516	\$ 357,828	\$ 11,688
Independent auditor	44,000	50,495	50,495	-
Commissioner of revenue	194,535	194,535	175,158	19,377
Treasurer	230,922	230,922	209,704	21,218
County attorney	25,000	25,000	18,753	6,247
Total general and financial administration	\$ 863,973	\$ 870,468	\$ 811,938	\$ 58,530
Board of elections:				
Electoral board and officials	\$ 38,399	\$ 38,399	\$ 28,992	\$ 9,407
Registrar	98,660	98,660	89,046	9,614
Total board of elections	\$ 137,059	\$ 137,059	\$ 118,038	\$ 19,021
Total general government administration	\$ 1,100,020	\$ 1,106,515	\$ 1,022,532	\$ 83,983
Judicial administration:				
Courts:				
Circuit court	\$ 23,231	\$ 42,468	\$ 22,702	\$ 19,766
General district court	7,800	7,800	3,021	4,779
Juvenile and domestic relations court	4,272	4,272	3,290	982
Special magistrates	1,118	1,118	1,042	76
Clerk of the circuit court	313,537	318,257	290,954	27,303
Total courts	\$ 349,958	\$ 373,915	\$ 321,009	\$ 52,906
Commonwealth's attorney:				
Commonwealth's attorney	\$ 204,607	\$ 204,607	\$ 199,375	\$ 5,232
Total judicial administration	\$ 554,565	\$ 578,522	\$ 520,384	\$ 58,138
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,432,594	\$ 1,436,093	\$ 1,318,050	\$ 118,043
Witness assistance	24,930	25,250	25,250	-
Dare	-	5,539	3,759	1,780
Asset forfeiture	-	5,825	1,103	4,722
E-911 system	204,538	204,538	200,732	3,806
Total law enforcement and traffic control	\$ 1,662,062	\$ 1,677,245	\$ 1,548,894	\$ 128,351

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2010 (Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Fire and rescue services:				
Fire services	\$ 248,977	\$ 249,133	\$ 249,133	\$ -
Rescue squad	81,647	101,489	101,489	-
Division of forestry	19,470	19,521	19,520	1
Total fire and rescue services	<u>\$ 350,094</u>	<u>\$ 370,143</u>	<u>\$ 370,142</u>	<u>\$ 1</u>
Correction and detention:				
Sheriff	\$ 1,271,289	\$ 1,271,289	\$ 1,240,506	\$ 30,783
VJCCA	220,730	220,730	109,085	111,645
Total correction and detention	<u>\$ 1,492,019</u>	<u>\$ 1,492,019</u>	<u>\$ 1,349,591</u>	<u>\$ 142,428</u>
Inspections:				
Building	<u>\$ 54,799</u>	<u>\$ 54,799</u>	<u>\$ 54,427</u>	<u>\$ 372</u>
Other protection:				
Animal control	\$ 62,273	\$ 62,273	\$ 58,523	\$ 3,750
Medical examiner	500	500	80	420
Total other protection	<u>\$ 62,773</u>	<u>\$ 62,773</u>	<u>\$ 58,603</u>	<u>\$ 4,170</u>
Total public safety	<u>\$ 3,621,747</u>	<u>\$ 3,656,979</u>	<u>\$ 3,381,657</u>	<u>\$ 275,322</u>
Public works:				
Sanitation and waste removal:				
Refuse collection and disposal	<u>\$ 760,591</u>	<u>\$ 881,202</u>	<u>\$ 856,157</u>	<u>\$ 25,045</u>
Maintenance of general buildings and grounds:				
General properties	\$ 425,426	\$ 425,426	\$ 390,014	\$ 35,412
Canneries	1,000	1,000	1,000	-
Total maintenance of general buildings and grounds	<u>\$ 426,426</u>	<u>\$ 426,426</u>	<u>\$ 391,014</u>	<u>\$ 35,412</u>
Total public works	<u>\$ 1,187,017</u>	<u>\$ 1,307,628</u>	<u>\$ 1,247,171</u>	<u>\$ 60,457</u>
Health and welfare:				
Health:				
Supplement of local health department	<u>\$ 116,092</u>	<u>\$ 116,092</u>	<u>\$ 88,095</u>	<u>\$ 27,997</u>
Mental health and mental retardation:				
Crossroads Board	<u>\$ 68,000</u>	<u>\$ 68,000</u>	<u>\$ 68,000</u>	<u>\$ -</u>

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 20010 (Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Welfare:				
Welfare administration	\$ 15,703	\$ 15,703	\$ 15,638	\$ 65
Public assistance	2,631,848	2,631,848	2,399,171	232,677
Workforce investment	1,546,844	3,064,914	3,082,366	(17,452)
Comprehensive services act	1,112,500	1,112,500	617,738	494,762
Total welfare	<u>\$ 5,306,895</u>	<u>\$ 6,824,965</u>	<u>\$ 6,114,913</u>	<u>\$ 710,052</u>
 Total health and welfare	 <u>\$ 5,490,987</u>	 <u>\$ 7,009,057</u>	 <u>\$ 6,271,008</u>	 <u>\$ 738,049</u>
 Education:				
Other instructional costs:				
Contributions to Community Colleges	\$ 3,443	\$ 3,443	\$ 3,443	\$ -
Contribution to County school board	3,514,583	3,514,583	3,025,717	488,866
Total education	<u>\$ 3,518,026</u>	<u>\$ 3,518,026</u>	<u>\$ 3,029,160</u>	<u>\$ 488,866</u>
 Parks, recreation, and cultural:				
Parks and recreation:				
Recreation youth league	<u>\$ 22,000</u>	<u>\$ 22,000</u>	<u>\$ 18,200</u>	<u>\$ 3,800</u>
 Cultural enrichment:				
Red hill shrine	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Adult programs	44,030	44,030	43,280	750
Total cultural enrichment	<u>\$ 46,030</u>	<u>\$ 46,030</u>	<u>\$ 45,280</u>	<u>\$ 750</u>
 Total parks, recreation, and cultural	 <u>\$ 68,030</u>	 <u>\$ 68,030</u>	 <u>\$ 63,480</u>	 <u>\$ 4,550</u>
 Community development:				
Planning and community development:				
Planning	\$ 31,700	\$ 693,527	\$ 679,677	\$ 13,850
Regional interoperable grants to other localities	-	1,708,036	1,398,608	309,428
Zoning appeals board	2,600	2,600	150	2,450
Economic development	10,100	285,100	250,193	34,907
Total planning and community development	<u>\$ 44,400</u>	<u>\$ 2,689,263</u>	<u>\$ 2,328,628</u>	<u>\$ 360,635</u>
 Environmental management:				
Contribution to soil and water district	<u>\$ 155,179</u>	<u>\$ 155,179</u>	<u>\$ 152,349</u>	<u>\$ 2,830</u>
 Cooperative extension program:				
Extension office	<u>\$ 46,100</u>	<u>\$ 46,100</u>	<u>\$ 43,492</u>	<u>\$ 2,608</u>
 Total community development	 <u>\$ 245,679</u>	 <u>\$ 2,890,542</u>	 <u>\$ 2,524,469</u>	 <u>\$ 366,073</u>

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010 (Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Nondepartmental:				
Fixed charges	\$ 103,903	\$ 104,325	\$ 104,325	\$ -
Principal retirement	\$ 333,000	\$ 333,000	\$ 368,892	\$ (35,892)
Interest and other fiscal charges	130,930	130,930	120,081	10,849
Total debt service	\$ 463,930	\$ 463,930	\$ 488,973	\$ (25,043)
Total General Fund	\$ 16,353,904	\$ 20,703,554	\$ 18,653,159	\$ 2,050,395
Nonmajor Funds:				
Special Revenue Fund:				
Library Fund				
Parks, recreation, and cultural:				
Library	\$ 248,797	\$ 248,797	\$ 243,679	\$ 5,118
Total Library Fund	\$ 248,797	\$ 248,797	\$ 243,679	\$ 5,118
Permanent Fund:				
Library Trust Fund				
Parks, recreation, and cultural:				
Library	\$ -	\$ -	\$ 6,492	\$ (6,492)
Total Library Trust Fund	\$ -	\$ -	\$ 6,492	\$ (6,492)
Total Non-major funds	\$ 248,797	\$ 248,797	\$ 250,171	\$ (1,374)
Total Primary Government	\$ 16,602,701	\$ 20,952,351	\$ 18,903,330	\$ 2,049,021
Special revenue funds:				
School Operating Fund:				
Education:				
Education costs:				
Elementary and secondary schools	\$ 16,105,559	\$ 16,143,498	\$ 14,249,182	\$ 1,894,316
Administration attendance and health services	822,163	1,212,342	840,917	371,425
Pupil transportation	1,758,614	2,029,561	1,739,380	290,181
Operation and maintenance of school plant	2,377,096	2,885,550	2,462,613	422,937
Total education	\$ 21,063,432	\$ 22,270,951	\$ 19,292,092	\$ 2,978,859

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010 (Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board (Continued)				
Special revenue funds: (Continued)				
School Operating Fund: (Continued)				
Debt service:				
Principal retirement	\$ 237,068	\$ 237,068	\$ 362,269	\$ (125,201)
Interest and other fiscal charges	95,932	95,932	30,932	65,000
Total debt service	<u>\$ 333,000</u>	<u>\$ 333,000</u>	<u>\$ 393,201</u>	<u>\$ (60,201)</u>
 Total School Fund	 <u>\$ 21,396,432</u>	 <u>\$ 22,603,951</u>	 <u>\$ 19,685,293</u>	 <u>\$ 2,918,658</u>
Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	<u>\$ 1,157,252</u>	<u>\$ 1,169,819</u>	<u>\$ 1,218,070</u>	<u>\$ (48,251)</u>
 Total Cafeteria Fund	 <u>\$ 1,157,252</u>	 <u>\$ 1,169,819</u>	 <u>\$ 1,218,070</u>	 <u>\$ (48,251)</u>
 Total Discretely Presented Component Unit - School Board	 <u>\$ 22,553,684</u>	 <u>\$ 23,773,770</u>	 <u>\$ 20,903,363</u>	 <u>\$ 2,870,407</u>

Other Statistical Information

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COUNTY OF CHARLOTTE, VIRGINIA

Table 1

Government-Wide Expenses by Function

Last Ten Fiscal Years (1)

Fiscal Year	General Government		Judicial Administration	Public Safety		Public Works	Health and Welfare		Education	Parks, Recreation, and Cultural		Community Development	Interest on Long-Term Debt		Total
	Admini- stration	Admini- stration		Safety	Safety		Welfare	Welfare		Cultural	Cultural		Debt	Debt	
2002-03	\$ 903,610	\$ 484,590	\$ 2,413,660	\$ 922,072	\$ 2,129,186	\$ 3,353,097	\$ 262,445	\$ 258,515	\$ 201,066	\$ 262,445	\$ 258,515	\$ 201,066	\$ 258,515	\$ 258,515	10,928,241
2003-04	851,937	470,516	2,604,893	802,824	2,515,319	3,156,146	269,716	231,468	153,627	269,716	231,468	153,627	231,468	231,468	11,056,446
2004-05	1,022,883	423,568	2,948,363	843,479	4,793,109	3,730,257	279,840	211,221	161,924	279,840	211,221	161,924	211,221	211,221	14,414,644
2005-06	1,198,605	477,181	3,239,862	960,029	4,948,521	3,520,345	278,866	218,073	235,750	278,866	218,073	235,750	218,073	218,073	15,077,232
2006-07	1,187,579	508,746	3,672,013	1,077,918	5,402,871	3,160,662	282,518	169,542	187,479	282,518	169,542	187,479	169,542	169,542	15,649,328
2007-08	1,207,426	530,807	3,715,718	1,200,163	5,150,012	4,009,759	344,549	149,299	502,205	344,549	149,299	502,205	149,299	149,299	16,809,938
2008-09	1,170,626	602,610	3,733,311	1,127,597	4,857,792	3,152,675	309,900	129,807	478,363	309,900	129,807	478,363	129,807	129,807	15,562,681
2009-10	1,175,629	549,960	3,301,492	603,238	6,305,896	3,216,899	320,954	97,682	2,526,132	320,954	97,682	2,526,132	97,682	97,682	18,097,882

(1) Information has only been available for 8 years.

COUNTY OF CHARLOTTE, VIRGINIA

Table 2

Government-Wide Revenues
Last Ten Fiscal Years (1)

Fiscal Year	PROGRAM REVENUES				GENERAL REVENUES					
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	-	General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Contributions Not Restricted to Specific Programs	Total
2002-03	\$ 280,746	\$ 3,683,764	\$ -	\$ -	\$ 5,030,792	\$ 1,147,982	\$ 305,219	\$ 213,964	\$ 911,173	\$ 11,573,640
2003-04	268,160	3,899,940	-	-	4,931,236	1,210,246	326,895	149,274	859,632	11,645,383
2004-05	303,828	7,075,595	-	-	5,127,737	1,258,318	341,642	264,954	782,760	15,154,834
2005-06	551,538	6,063,356	-	-	6,208,981	1,049,176	436,417	372,299	1,305,801	15,987,568
2006-07	604,438	6,650,634	-	-	6,215,930	1,218,807	496,509	509,340	1,485,773	17,181,431
2007-08	610,830	6,155,731	25,000	25,000	6,229,055	1,166,161	387,571	466,179	1,421,941	16,462,468
2008-09	467,923	7,036,608	652,657	652,657	6,416,117	1,178,829	268,040	600,052	1,329,928	17,950,154
2009-10	626,193	8,590,253	87,343	87,343	6,078,882	1,017,490	286,739	683,153	1,776,238	19,146,291

(1) Information has only been available for 8 years.

COUNTY OF CHARLOTTE, VIRGINIA

Table 3

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		Parks, Recreation, and Cultural		Community Development		Debt Service		Total	
2000-01	\$	815,333	\$	375,476	\$	2,335,376	\$	692,139	\$	2,177,190	\$	233,269	\$	138,428	\$	1,325,837	\$	23,248,595
2001-02		919,521		437,811		2,363,740		795,189		2,239,738		504,704		206,731		1,317,293		23,906,124
2002-03		826,140		420,437		2,508,631		821,304		2,103,589		261,095		201,066		974,011		25,049,240
2003-04		883,142		401,125		2,741,952		804,065		2,489,508		265,738		153,627		1,178,719		25,677,233
2004-05		894,866		431,421		2,991,232		823,995		4,744,801		278,490		161,924		697,789		29,416,869
2005-06		1,068,851		444,812		3,182,009		1,071,583		4,945,516		277,516		235,750		579,280		31,749,337
2006-07		1,066,733		488,377		3,644,730		1,169,130		5,403,679		281,168		187,479		722,831		33,313,038
2007-08		1,070,191		494,306		3,702,573		1,318,050		5,130,902		343,199		502,205		659,609		36,139,207
2008-09		1,023,597		565,689		3,714,469		1,100,126		4,849,312		308,321		1,897,890		846,744		35,878,005
2009-10		1,022,532		520,384		3,381,657		1,247,171		6,271,008		313,651		2,524,469		882,174		36,676,651

(1) Includes General, Special Revenue Funds, and Permanent Funds of the primary government and its discretely presented component units, except for capital projects and nondepartmental.

(2) General fund contributions to the school board are not included.

COUNTY OF CHARLOTTE, VIRGINIA

Table 4

General Governmental Revenues by Source (1)
Last Ten Fiscal Years

Fiscal Year	General Property Taxes (2)	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscella- neous	Recovered Costs	Inter- governmental (3)	Total
2000-01	\$ 5,244,661	\$ 1,034,642	\$ 30,262	\$ 126,659	\$ 458,199	\$ 394,531	\$ 364,133	\$ -	\$ 16,264,589	\$ 23,917,676
2001-02	5,292,691	1,120,714	38,586	136,761	331,862	395,651	494,855	-	16,403,063	24,214,183
2002-03	5,004,875	1,147,982	28,655	136,920	312,671	446,752	487,031	136,139	17,822,332	25,523,357
2003-04	4,910,557	1,210,246	27,453	93,953	334,676	484,072	374,288	135,191	18,056,961	25,627,397
2004-05	5,116,699	1,258,318	23,882	131,515	352,557	498,724	550,375	-	22,202,161	30,134,231
2005-06	6,893,945	1,049,176	32,355	238,942	447,256	642,807	598,621	-	21,779,657	31,682,759
2006-07	6,798,741	1,218,807	32,659	141,962	517,854	775,292	811,167	-	24,066,490	34,362,972
2007-08	7,007,489	1,166,161	40,890	180,790	402,906	755,388	792,594	-	25,363,438	35,709,656
2008-09	7,091,372	1,178,829	33,431	150,785	274,422	753,038	896,069	-	26,125,514	36,503,460
2009-10	6,796,248	1,017,490	52,931	166,714	288,265	879,103	1,003,439	-	26,965,640	37,169,830

(1) Includes General, Special Revenue Funds and Permanent Funds of the primary government and its discretely presented component units.

(2) Includes Commonwealth of Virginia PPTRA reimbursement

(3) General fund contributions to the school board are not included.

COUNTY OF CHARLOTTE, VIRGINIA

Table 5

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax		Current Tax (1), (3)		Percent of Levy Collected	Delinquent (1)		Total Tax Collections	Percent of Total Tax Collections to Tax Levy		Outstanding Delinquent Taxes (1)		Percent of Delinquent Taxes to Tax Levy
	Levy (1)		Tax (1), (3)			Tax (2)					Delinquent Taxes		
2000-01	\$ 5,183,674	\$	5,112,832		98.63%	\$ 65,123	\$	5,177,955	99.89%	\$	223,216		4.31%
2001-02	5,252,997		5,139,592		97.84%	70,952		5,210,544	99.19%		218,727		4.16%
2002-03	5,630,671		5,492,872		97.55%	93,303		5,586,175	99.21%		290,403		5.16%
2003-04	5,600,033		5,372,862		95.94%	106,451		5,479,313	97.84%		388,637		6.94%
2004-05	5,645,605		5,605,968		99.30%	49,199		5,655,167	100.17%		422,613		7.49%
2005-06	6,739,553		6,632,723		98.41%	254,843		6,887,566	102.20%		371,226		5.51%
2006-07	6,816,391		6,501,660		95.38%	154,821		6,656,481	97.65%		402,681		5.91%
2007-08	6,942,514		6,750,577		97.24%	111,178		6,861,755	98.84%		341,680		4.92%
2008-09	7,093,544		6,810,979		96.02%	155,161		6,966,140	98.20%		391,164		5.51%
2009-10	6,532,177		6,463,416		98.95%	210,276		6,673,692	102.17%		406,270		6.22%

(1) Exclusive of penalties and interest.

(2) Does not include land redemptions.

(3) Includes Commonwealth of Virginia PPTRA reimbursement.

COUNTY OF CHARLOTTE, VIRGINIA

Table 6

Assessed Value of Taxable Property
Last Ten Fiscal Years (1)

Fiscal Year	Real Estate	Personal Property	Machinery and Tools				Public Service	Total
			Mobile Homes	Merchants' Capital				
2000-01	\$ 460,776,610	\$ 67,725,304	\$ 12,480,482	\$ 21,905,482	\$ 746,350	\$ 46,577,734	\$ 610,211,962	
2001-02	468,448,350	70,431,720	12,111,560	20,378,020	742,905	44,517,696	616,630,251	
2002-03	569,861,100	68,323,810	5,007,190	17,439,550	757,540	52,738,642	714,127,832	
2003-04	579,349,720	71,100,423	6,616,080	9,986,668	782,870	51,653,470	719,489,231	
2004-05	585,736,000	70,185,398	7,266,190	12,738,249	749,910	46,213,173	722,888,920	
2005-06	595,247,620	77,374,258	7,334,170	12,623,170	816,849	44,755,418	738,151,485	
2006-07	604,537,500	82,731,982	7,651,460	8,214,562	788,494	43,095,318	747,019,316	
2007-08	945,895,550	83,806,224	6,090,910	5,193,843	753,388	59,538,191	1,101,278,106	
2008-09	953,460,850	86,840,009	6,863,850	6,389,078	831,637	56,355,953	1,110,741,377	
2009-10	961,990,800	67,884,109	6,877,367	5,755,896	771,449	54,534,257	1,097,813,878	

(1) 100% of fair market value

COUNTY OF CHARLOTTE, VIRGINIA

Table 7

Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Year	Real Estate		Personal Property		Mobile Homes		Machinery and Tools		Merchant's Capital	
2000-01	\$	0.65	\$	2.00	\$	0.65	\$	2.00	\$	3.20
2001-02		0.65		2.00		0.65		2.00		3.20
2002-03		0.62		2.00		0.62		2.00		3.20
2003-04		0.62		2.00		0.62		2.00		3.20
2004-05		0.62		2.00		0.62		2.00		3.20
2005-06		0.62		3.00		0.62		3.00		3.20
2006-07		0.62		3.00		0.62		3.00		3.20
2007-08		0.42		3.00		0.42		3.00		3.20
2008-09		0.42		3.00		0.42		3.00		3.20
2009-10		0.42		3.00		0.42		3.00		3.20

(1) Per \$100 of assessed value.

COUNTY OF CHARLOTTE, VIRGINIA

Table 8

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

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Ratio of	
				Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2000-01	12,472	\$ 610,211,962	\$ 3,563,508	0.58%	\$ 286
2001-02	12,472	616,630,251	3,255,859	0.53%	261
2002-03	12,472	714,127,832	2,942,907	0.41%	236
2003-04	12,472	719,489,231	2,649,318	0.37%	212
2004-05	12,472	722,888,920	2,449,737	0.34%	196
2005-06	12,512	738,151,485	2,243,787	0.30%	179
2006-07	12,762	747,019,316	2,031,068	0.27%	159
2007-08	12,696	1,101,278,106	1,811,012	0.16%	143
2008-09	12,696	1,110,741,377	1,582,863	0.14%	125
2009-10	12,672	1,097,813,878	1,345,795	0.12%	106

(1) Weldon Cooper Center for Public Service

(2) From Table 6

(3) Includes all long-term general obligation bonded debt and Literary Fund Loans.
Excludes revenue bonds, capital leases, and compensated absences.

COUNTY OF CHARLOTTE, VIRGINIA

Table 9

Ratio of Annual Debt Service Expenditures for General Bonded
Debt to Total General Governmental Expenditures (1)
Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2000-01	\$ 936,814	\$ 389,023	\$ 1,325,837	\$ 23,248,595	5.70%
2001-02	973,980	343,313	1,317,293	23,906,124	5.51%
2002-03	708,750	265,261	974,011	25,049,240	3.89%
2003-04	940,816	237,903	1,178,719	25,677,233	4.59%
2004-05	480,693	217,096	697,789	29,416,869	2.37%
2005-06	381,119	198,161	579,280	31,749,337	1.82%
2006-07	514,676	208,155	722,831	33,313,038	2.17%
2007-08	475,060	184,549	659,609	36,139,207	1.83%
2008-09	677,525	169,219	846,744	35,878,005	2.36%
2009-10	731,161	151,013	882,174	36,676,651	2.41%

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

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Compliance

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ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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 Charlotte
Charlotte Court House, Virginia

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of County of Charlotte, Virginia, as of and for the year ended June 30, 2010, which collectively comprise the County of Charlotte, Virginia's basic financial statements and have issued our report thereon dated November 29, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered County of Charlotte, 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 County of Charlotte, Virginia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Charlotte, 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 County of Charlotte, 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, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Robinson, Farmer, Co. Associates

Charlottesville, Virginia
November 29, 2010

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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 Auditor's Report

To the Honorable Members of the Board of Supervisors
County of Charlotte
Charlotte Court House, Virginia

Compliance

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

In our opinion, County of Charlotte, 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 County of Charlotte, 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 County of Charlotte, 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 County of Charlotte, Virginia's internal control over compliance.

Internal Control Over Compliance: (Continued)

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.

Robinson, Farmer, & Associates
Charlottesville, Virginia
November 29, 2010

COUNTY OF CHARLOTTE, VIRGINIA

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

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass Through Payments:			
Department of Social Services:			
Promoting safe and stable families	93.556	0950109/0950110	\$ 1,625
Temporary assistance for needy families (TANF)	93.558	0400109/0400110	373,770
Refugee and entrant assistance - state administered programs	93.566	0500109/0500110	435
Low-income home energy assistance	93.568	0600409/0600410	9,748
Child Care and Development Fund Cluster:			
Child care and development block grant	93.575	0770109/0770110	35,779
Child care mandatory and matching funds of the child care and development fund	93.596	0760109/0760110	30,971
ARRA - Child care and development block grant	93.713	0740109/0780109	13,755
Chafee education and training vouchers program	93.599	9160108/9160109	666
Adoption Incentive Payments	93.603	Unknown	1,032
Child welfare services - state grants	93.645	0900109/0900110	489
Foster care - Title IV-E	93.658	1100109/1100110	176,720
ARRA - Foster care - Title IV-E	93.658	1100109/1100110	16,364
Adoption assistance	93.659	1120109/1120110	47,078
ARRA - Adoption assistance	93.659	1120109/1120110	5,239
Social services block grant	93.667	1000109/1000110	111,192
Chafee foster care independence program	93.674	9150109/9150110	1,138
Children's health insurance program	93.767	0540109/0540110	9,600
Medical assistance program	93.778	1200109/1200110	122,736
Total Department of Health and Human Services			\$ 958,337
Department of Agriculture:			
Direct Payments:			
Department of Agriculture:			
Child Nutrition Cluster:			
Food Distribution - Child Nutrition Cluster	10.555	406230	\$ 76,482
Summer food service program for children	10.559	Unknown	40,430
Child Nutrition Discretionary Grants Limited Availability	10.579	Unknown	31,062
Fresh Fruit and Vegetable Program	10.582	405990	11,487
Pass Through Payments:			
Department of Education:			
Child Nutrition Cluster:			
National school breakfast program	10.553	405910	212,589
National school lunch program	10.555	406230	459,218
Child and adult care food program	10.558	Unknown	3,080
Department of Social Services:			
SNAP Cluster:			
State administrative matching grants for the supplemental nutrition assistance program	10.561	0010109/0010110 0040109/0040110	207,495
ARRA - State administrative matching grants for the supplemental nutrition assistance program	10.561	0010109/0010110 0040109/0040110	8,499
Total Department of Agriculture			\$ 1,050,342
Department of Commerce:			
Pass Through Payments:			
National Telecommunications and Information Administration:			
Public safety interoperable communications grant program	11.555	N/A	\$ 1,398,608
Department of the Interior:			
Direct payments:			
Bureau of Land Management:			
Payments to states in lieu of real estate taxes	15.226	N/A	\$ 8,274
Department of Justice			
Direct payment:			
Bulletproof vest partnership program	16.607	N/A	\$ 8,867

COUNTY OF CHARLOTTE, VIRGINIA

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

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Justice: (Continued)			
Pass Through Payments:			
Va. Compensation Board:			
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG)	16.803	09SUB9033	\$ 65,076
Department of Criminal Justice Service:			
Crime victim assistance	16.575	08VAGX0017/09VAG0017	18,612
Byrne memorial justice assistance grant program	16.738	Unknown	511
Total Department of Criminal Justice			\$ 84,199
Department of Labor:			
Pass Through Payments:			
Senior community service employment program	17.235	Unknown	\$ 407,666
ARRA - Senior community service employment program	17.235	Unknown	63,394
WIA Cluster:			
Workforce investment act - adult program	17.258	Unknown	925,418
Workforce investment act - youth activities	17.259	Unknown	1,054,220
Workforce investment act - dislocated workers	17.260	Unknown	565,062
Total Department of Labor			\$ 3,015,760
Department of Housing and Urban Development:			
Pass Through Payments			
Community development block grants	14.228	B-04-DC-51-0001	\$ 87,343
Department of Homeland Security			
Pass Through Payments:			
State Homeland Security Program (SHSP)	97.073		\$ 18,250
Emergency management performance grants	97.042		5,600
Total Department of Homeland Security			\$ 23,850
Department of Transportation			
Pass Through Payments:			
Alcohol open container safety requirements	20.607	154AL-2010/154AL-2009	\$ 14,535
Department of Education:			
Pass Through Payments:			
Department of Education:			
Title I, Part A Cluster:			
Title I grants to local educational agencies	84.010	429010	\$ 436,525
ARRA - Title I grants to local educational agencies	84.389	429130	69,684
Special Education Cluster (IDEA):			
Special education - grants to states	84.027	430710	370,710
ARRA - Special education - grants to states	84.391	612450	220,385
Special education - preschool grants	84.173	625210	29,072
ARRA - Special Education - Preschool Grants	84.392	612470	7,460
Career and technical education - basic grants to states	84.048	610950	39,551
Safe and drug-free schools and communities - state grants	84.186	605110	9,000
Improving teacher quality state grants	84.367	614800	118,276
Educational Technology State Grants Cluster:			
Education technology state grants	84.318	616000	4,539
ARRA - Education Technology State Grants	84.386	608970	15,071
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	Unknown	28,265
Twenty-First Century Community Learning Centers	84.287	605650	113,730
Rural education	84.358	434810	46,544
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants	84.394	625320	1,309,589
Reading first state grants	84.357	606550	38,350
Total Department of Education			\$ 2,856,751
Total Expenditures of Federal Awards			\$ 9,506,866

See accompanying notes to Schedule of Expenditures of Federal Awards.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 1 - Basis of Presentation

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

Note 2 - Summary of Significant Accounting Policies

(1) Expenditures 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 3 - 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	\$ 5,815,767
Total primary government	<u>\$ 5,815,767</u>

Component Unit Public Schools:

School Operating Fund	\$ 2,931,323
School Cafeteria Fund	759,776
Total component unit public schools	<u>\$ 3,691,099</u>
Total federal expenditures per basic financial statements	<u>\$ 9,506,866</u>

Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u><u>\$ 9,506,866</u></u>
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COUNTY OF CHARLOTTE, VIRGINIA

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510 (a)?	No

Identification of major programs:

CFDA #	Name of Federal Program or Cluster
84.394	ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants
	Special Education Cluster:
84.027	Special Education - Grants to States
84.391	ARRA - Special Education Grants to States
84.173	Special Education - Preschool Grants
84.392	ARRA - Special Education - Preschool Grants
	Workforce Investment Act Cluster:
17.258	Workforce Investment Act - Adult Program
17.259	Workforce Investment Act - Youth Activities
17.260	Workforce Investment Act - Dislocated Workers
	Child Nutrition Cluster:
10.553	School Breakfast Program
10.555	National School Lunch Program
10.555	Food Distribution
10.559	Summer Food Service Program for Children
	SNAP Cluster:
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
10.561	ARRA - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
11.555	National Telecommunications and Information Administration
17.235	Senior Community Service Employment Program
	Title I Cluster
84.010	Title I Grants to Local Educational Agencies
84.389	ARRA - Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

There are no federal award findings and questioned costs to report.

COUNTY OF CHARLOTTE, VIRGINIA

Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2010

There were no findings reported for the year ended June 30, 2009.