

County of Albemarle, Virginia

**Comprehensive Annual
Financial Report**



Fiscal Year Ended June 30, 2010

COUNTY OF ALBEMARLE, VIRGINIA

**Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2010**

Prepared By:

Richard M. Wiggans,
Director of Finance
and
Department of Finance

COUNTY OF ALBEMARLE, VIRGINIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2010

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COUNTY OF ALBEMARLE
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December 17, 2010

To the Honorable Board of Supervisors,
the Citizens of the County of Albemarle, and
the Financial Community:

We are pleased to present the County of Albemarle's Comprehensive Annual Financial Report (CAFR), for the fiscal year ended June 30, 2010. Responsibility for the accuracy and completeness of the data presented and the fairness of the presentations, including all disclosures, rests with the County. We believe the data presented is accurate in all material aspects and that it is designed and presented in a manner to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds. All the necessary disclosures have been included to enable the reader to gain the maximum understanding of the County's financial affairs.

The financial statements of Albemarle County are prepared in accordance with accounting and reporting principles as determined by the Governmental Accounting Standards Board (GASB), using the financial reporting model as prescribed by the GASB Statement No. 34, *Basic Financial Statements, and Management's Discussion and Analysis - for State and Local Governments* (GASB 34).

This report is presented in four sections: Introduction, Financial, Statistical, and Compliance. The introduction section includes this transmittal letter, the County's organizational chart, a directory of principal officials and a copy of the 2009 Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association. The financial section includes the Independent Auditors' Report, Management's Discussion and Analysis, Basic Financial Statements and notes, and Required Supplemental Information. This section also includes supplemental data including component unit financial statement and schedules. The statistical section includes selected financial and demographic data related to the County, generally presented on a multi-year basis. The compliance section is required under the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

In accordance with GAAP (Generally Accepted Accounting Principles), a narrative introduction, overview, and analysis accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The County of Albemarle's MD&A can be found immediately following the report of the independent auditors.

THE REPORTING ENTITY AND ITS SERVICES

Albemarle County is located in central Virginia, 110 miles southwest of Washington, D.C. and 70 miles west of the state capital in Richmond. At the center of the County is the ten-square mile City of Charlottesville. Albemarle County's urban areas include the development area around Charlottesville, as well as the Town of Scottsville and the Community of Crozet. Albemarle County is located within the Charlottesville Metropolitan Statistical Area, which includes Albemarle County, Fluvanna County, Greene County, and the City of Charlottesville.

THE REPORTING ENTITY AND ITS SERVICES: (Continued)

The County of Albemarle was formed from the County of Goochland in 1744 by an act of the Virginia General Assembly. The County is named for William Anne Keppel, the Second Earl of Albemarle, who was at that time the Governor-General of Virginia. Scottsville was the original County seat until 1761 when the County Government was moved to Charlottesville. The original land area included today's counties of Amherst, Buckingham, Fluvanna, Nelson, and portions of Appomattox and Campbell Counties. The present boundaries of the County were established in 1777. The development of the County and its 726 square miles is such that although it contains a large urban area, it also has a considerable amount of agricultural, commercial and industrial land.

The County adopted the County Executive form of government and organization in 1933. Under this form of government, the County is governed by a popularly elected six-member Board of Supervisors representing each of the County's magisterial districts. A County Executive, appointed by the Board of Supervisors, serves as the County's chief executive officer. The County Executive is responsible for implementing policies set by the Board of Supervisors, and for directing, coordinating, and supervising the daily activities of County government. The County contains the independent Town of Scottsville, which is governed by an elected six-member town council. A seven-member School Board elected by County voters oversees school issues.

The County provides a full range of governmental services. Major programs include administration, judicial, public safety, public works, human development, parks and recreation, education, and community development. The County also serves as fiscal agent for several City/County jointly governed entities that include the Charlottesville-Albemarle Joint Health Center Building Fund, the Charlottesville/UVA/Albemarle County Emergency Communications Center, and Darden Towe Memorial Park. The County serves as fiscal agent for the Commission on Children and Families, the Albemarle-Charlottesville Regional Jail Authority and the Blue Ridge Juvenile Detention Commission.

Public Schools

Albemarle County Public Schools include sixteen elementary, six middle, and four high schools. The newest addition to the middle schools is the Community Public Charter School. In addition, the County and the City of Charlottesville jointly operate the Charlottesville-Albemarle Technical Education Center (CATEC), which provides vocational education for local students. Albemarle County also partners with other jurisdictions to operate Ivy Creek School, which provides alternative K-12 education for individuals with special learning needs.

Over the past ten years, the number of enrolled students in Albemarle County's public schools has risen 5.9 percent from 12,187 in 2000 to 12,914 in 2010. Since 2005, the school system has experienced a 4.3 percent increase in the number of students. All Albemarle County schools remained fully accredited by the state of Virginia in school year 2009-2010. The dropout rate decreased for 2008/09 with a 1.02 percent rate compared to 2007/08 with a 1.57 percent rate.

Higher Education

The County is also home to two institutions of higher learning, the University of Virginia and Piedmont Virginia Community College. Founded in 1819 by Thomas Jefferson, the University of Virginia is situated on 188 acres and has a current student enrollment of over 20,000. In 2010, the U.S. News and World Report ranked the University as the nation's second best public university and 25th best among all national universities (tying with UCLA and Wake Forest). The University is comprised of the Darden Business School; the Schools of Architecture, Commerce, Engineering, Law, Medicine, Nursing, and Education; and the College of Arts and Sciences.

THE REPORTING ENTITY AND ITS SERVICES: (Continued)

Piedmont Virginia Community College offers two-year Associates Degrees and also several four-year degree programs in conjunction with the University of Virginia, Mary Baldwin College and Old Dominion University. Each year more than 500 students transfer from PVCC to a four-year college or university. Since establishment in 1972, more than 105,000 students have attended classes. Currently there have been over 9,500 associates degrees and certificates awarded. PVCC also offers extensive workforce training programs for local employees.

Travel and Tourism

The County and immediate areas contain numerous cultural and recreational facilities and historic sites. The travel and tourism industry contributes significantly to the local economy, generating over \$254 million in revenues in 2009 and over 2,800 jobs in the County.

Albemarle has a wealth of historic resources, including prehistoric archaeological sites, Monticello, Ash Lawn-Highland, and the University of Virginia. Four sites are National Historic Landmarks, and Monticello and the University of Virginia's "Academical Village" are on the World Heritage list.

Jefferson's home, Monticello, is located within the County and attracts over 500,000 visitors annually. In addition to Monticello, the County's historical heritage includes James Monroe's home, Ashlawn-Highland; Dr. Thomas Walker's 1765 Plantation, Castle Hill; the birth site of George Rogers Clark; Patrick Henry's family tavern, Michie Tavern; and Albemarle County's 1830 Court House.

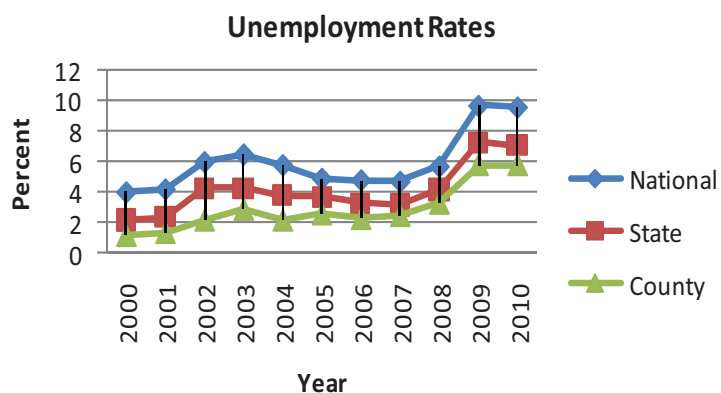
Located partially within the City of Charlottesville's corporate limits, though legally within the jurisdiction of the County, is the University of Virginia. The Lawn, Ranges and Rotunda, comprising the original academic buildings of the University, was designed by Thomas Jefferson. Monroe Hill, the home occupied by James Monroe when he was rector of the University, is also on the University grounds.

Other area attractions include Skyline Drive, Blue Ridge Parkway, and Shenandoah National Park, all located in the western part of the County.

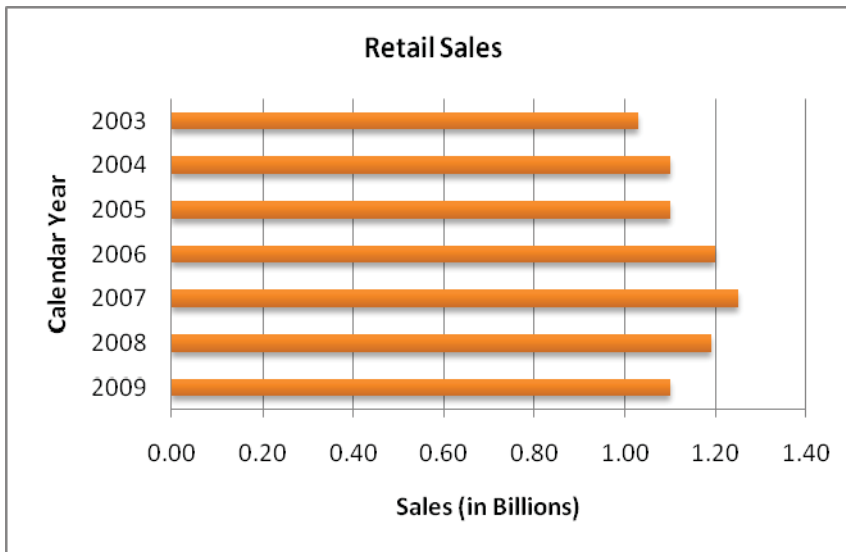
ECONOMIC CONDITION AND OUTLOOK

Albemarle County's rich historical heritage plays a part in the area's economic growth. Its location, rural character, urban conveniences, strong educational system and superior quality of life combine to make Albemarle an attractive, vital community. The predominant economic sectors are education, service, manufacturing, tourism, and retail trade. Among the largest employers are the University of Virginia, County of Albemarle, State Farm Mutual Insurance, UVA Health Services, and Northrup Grumman Corporation.

According to the Virginia Employment Commission, unemployment for Albemarle County remained at 5.8 percent as in the previous year. The area continues to have one of the lower unemployment rates and, when compared to the 7.1 percent state and 9.6 percent national unemployment rates, Albemarle continues to remain in better condition than other localities within Virginia.

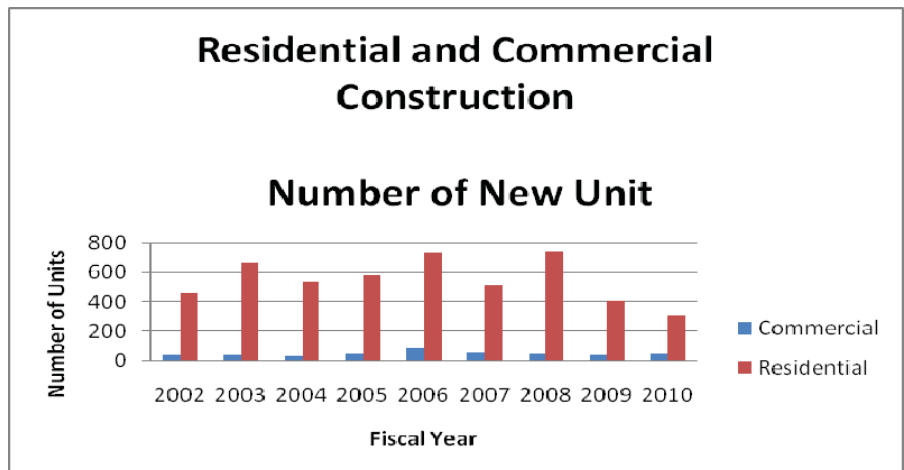


ECONOMIC CONDITION AND OUTLOOK: (Continued)



Retail sales in the County declined in 2009. As of December 31, 2009, the decrease was 7.56 percent, with \$1.10 billion compared to \$1.19 billion in 2008. Retail sales figures for the first and second quarters of 2010 dropped 2.02 percent, with \$534 million being reported compared to \$545 million in the first and second quarters of 2009.

The value of new residential construction activity in calendar year 2009 decreased for a second year. Permits issued for new residential construction were down 29 percent from 403 in 2008 to 313 in 2009, and the value of this construction was \$95,465,224. The number of new commercial permits increased by 7 percent from 45 in 2008 to 48 in 2009, with a total value of \$227,912,069. Due to economic factors, many proposed projects for future development are continuing to be delayed.



As of June 2010, the median sales price of homes in the County of Albemarle was \$285,767. The median sales price of homes in the City of Charlottesville during the same period was \$245,000.

Demographic Information

The U.S. Census Bureau calculated Albemarle County's population to be 93,668 in 2008 and currently estimates the 2009 population to be 94,908. Within the 2009 estimated population, 79 percent of Albemarle County is comprised of individuals over the age of 18 with 16 percent age 62 and older. The median age for Albemarle is 37.

Single-family detached housing units continued to account for the majority of the housing units within the County, representing 63.45 percent of total dwellings. Multi-family units, including condominiums, accounted for 21.37 percent, single-family townhouses 6.51 percent, single-family attached units 3.71 percent, mobile homes 4.27 percent; and duplexes comprised 0.69 percent of housing units.

The total number of families awaiting general housing assistance from the County as of June 2010 is 361. Approximately 407 families are currently being assisted, either with rental or project-specific assistance.

MAJOR INITIATIVES

Current Initiatives

During fiscal year 2010, the County undertook or continued initiatives in the following areas:

- The County is continuing its interior and exterior maintenance/replacement projects to the Juvenile & Domestic Relations Court building. The City of Charlottesville and the County of Albemarle jointly fund these projects. This project will maintain the structural, functional, operational, productive, and secure integrity of the Court facility.
- The County continues to assist in the funding for the replacement of volunteer Fire & EMS apparatus. This is an initiative to standardize apparatus to address operability, reliability, and safety issues. This included a ladder truck for Crozet Fire Department and a new engine for Earlysville Fire Department.
- The County continues with the ongoing program of maintenance/replacement at County facilities. These facilities include COB McIntire, COB 5th Street, and the Old Crozet Elementary School. This includes the replacement of the 20+ year old windows in the County Office Building-McIntire with newer more energy efficient windows.

Future Initiatives

- Provide continued funding of the Police Department's Mobile Data Computer program. This program provides patrol vehicles with laptop computers and mobile data technology as well as replacement of computers past their life cycle. These computers will improve the efficiency and effectiveness of Albemarle County Police Department services.
- Continued replacement of volunteer fire and EMS apparatus. The apparatus schedule is based on an age and mileage criteria and includes an initiative to standardize apparatus to address inoperability, reliability, and safety issues. This will include a tanker for East Rivanna Fire Department, a new engine for Seminole Trail Fire Department, an ambulance for Charlottesville-Albemarle Rescue Squad, and a new command vehicle for Scottsville Rescue.
- Provide funding for the Moores Creek Wastewater Treatment Plant. This plant is owned by Rivanna Water and Sewer Authority and receives septage from haulers in the Albemarle County service area. This project will consist of the installation of an enclosed septage receiving station and an active odor treatment facility which will allow reception of this material while reducing odor impact.

FINANCIAL INFORMATION

Internal Control Structure

The management of Albemarle County is responsible for establishing and maintaining internal controls. Estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies and procedures. Internal controls are designed to provide reasonable, but not absolute, assurance that (1) County assets are safeguarded against unauthorized use or disposition and, (2) financial transactions are conducted properly and in accordance with County policy.

Budgetary Controls

Budgetary controls are established to ensure compliance with the annual appropriation ordinance adopted by the Board of Supervisors. General, School, Debt Service, and School Self-Sustaining Funds are included in this ordinance. A separate appropriation, approved by the Board of Supervisors, is adopted for the General Government and Education Capital Improvement Funds.

Budgetary controls are maintained at the department level. All purchase orders are reviewed prior to issuance to confirm sufficient appropriated balances exist. Purchase orders that would result in over-expenditures are not released until additional funds are appropriated. Open encumbrances are carried forward at year-end and generally reappropriated.

Cash Management

The County uses a pooled cash approach that allows a greater degree of investment flexibility and return on investment. All County funds are invested in instruments allowed by the Code of Virginia, Chapter 3, Title 26. The County utilizes the Local Government Investment Pool (LGIP) and other money market funds that hold only government securities.

Risk Management

The County participates in a public entity risk pool that provides consolidated health care and dental benefits for their employees. The plan is based on a service contract with a private carrier in which bills are derived from actual expenses incurred or claims filed. The participating entities have established a reserve fund to protect against catastrophic losses and excess claims. Each participating entity is responsible for payment amounts billed by the County.

The County and School Board contracts with the Virginia Municipal Group Self-Insurance Association and Comp Management Inc to provide worker's compensation coverages. The associations may assess all members based on the proportion that their premium bears to the total premium of all members should the association suffer a deficit and depletion of all its assets.

Auto liability, property damage, employee crime and dishonesty, general liability, public officials, and law enforcement liability coverages are provided through the Virginia Association of Counties Group Self-Insurance Risk Pool (VACoRP) for the County and Utica National Insurance for the School Board.

OTHER INFORMATION

Independent Audit

The Commonwealth of Virginia requires that the financial statements of the County be audited by an independent certified public accountant. The accounting firm of Robinson, Farmer, Cox Associates has performed an audit for the County for the fiscal year ended June 30, 2010. The auditors opinion is included in this report.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Albemarle, Virginia, for its comprehensive annual financial report for the fiscal year ended June 30, 2009. This was the fifteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

I would like to express my appreciation to the staff of the Finance Department for their commitment and dedication to the financial management of the County and the preparation of this report. I would also like to thank the County Board of Supervisors and the County Executive Staff for their support of the County's financial operations in a responsible and progressive manner.

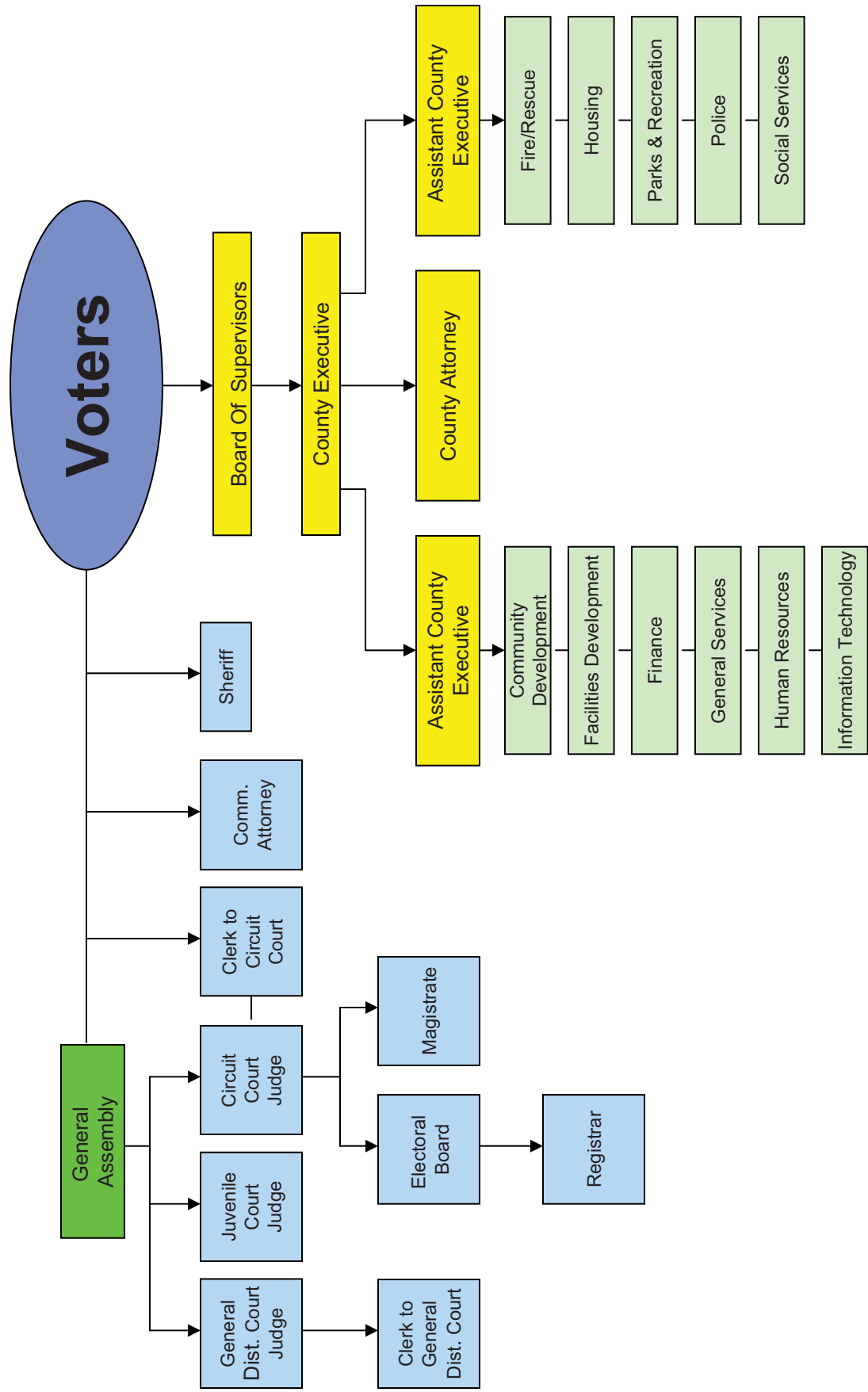
Respectfully,

A handwritten signature in black ink, appearing to read 'R. M. Wiggans', with a long horizontal stroke extending to the right.

Richard M. Wiggans
Director of Finance

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Albemarle County Organizational Chart



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COUNTY OF ALBEMARLE, VIRGINIA

BOARD OF SUPERVISORS

Ann H. Mallek, Chairperson
Duane E. Snow, Vice-Chair

Kenneth C. Boyd
Rodney Thomas

Dennis S. Rooker
Lindsay G. Dorrier, Jr.

Ella W. Jordan, Clerk

SCHOOL BOARD

Ronnie Price, Sr., Chairperson
Eric Strucko, Vice-Chair

Diantha H. Mckeel
Barbara Mouly
Pamela Moynihan

Steve H. Koleszar
Harley Miles

Jennifer W. Johnston, Clerk

COUNTY OF ALBEMARLE, VIRGINIA

OTHER OFFICIALS

County Executive	Robert W. Tucker, Jr.
School Superintendent	Dr. Pamela Moran
Assistant County Executive	Bryan Elliott
Assistant County Executive	Thomas C. Foley
Clerk of the Circuit Court	Debra Shipp
Judge of the Circuit Court	Cheryl Higgins
Commonwealth Attorney	Denise Y. Lunsford
County Attorney	Larry W. Davis
Director of Information Services	Michael C. Culp
Director of Community Development	Mark B. Graham
Extension Agent	Carrie Swanson
Director of Finance	Richard M. Wiggans
Clerk of the General District Court	Phyllis L. Stewart
Judge of the General District Court	William G. Barkley
Director of Zoning	Amelia G. McCulley
Director of Emergency Communications Center	Thomas A. Hanson
Director of Parks and Recreation	Patrick K. Mullaney
Director of Human Resources	Kimberly L. Suyes
Director of Planning	Vincent W. Cilimberg
Chief of Police	John F. Miller
Registrar	Richard J. Washburne
Sheriff	J.E. "Chip" Harding
Director of Social Services	Katherine A. Ralston
Director of General Services	George A. Shadman, Jr.
Director of Inspections/Building Official	Jay Schlothauer
Director of Housing	Ron White
Fire Chief	J. Dan Eggleston

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Albemarle
Virginia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

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ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Independent Auditors' Report

**To the Board of Supervisors
County of Albemarle, 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 Albemarle, Virginia (the "County"), 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 Albemarle, 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 Albemarle, Virginia, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2010, on our consideration of the County of Albemarle, 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 and required supplementary information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Robinson, Tamm, Cox Associates

Charlottesville, Virginia
December 15, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the County of Albemarle presents the following discussion and analysis as an overview of the County of Albemarle's financial activities for the fiscal year ending June 30, 2010. We encourage readers to read this discussion and analysis in conjunction with the transmittal letter and the County's financial statements.

Financial Highlights for FY 2010

Highlights for Government-wide Financial Statements

- At the close of the fiscal year, the assets of the County, excluding its component unit, exceeded its liabilities by \$87,448,821. Of this amount, \$73,771,675 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- For the fiscal year, general and program revenues of the County's governmental activities were \$225,963,638 and expenses amounted to \$227,827,064. The County's change in net assets was (\$1,863,427), which represents a 63.51% decrease from 2009.

Highlights for Fund Financial Statements

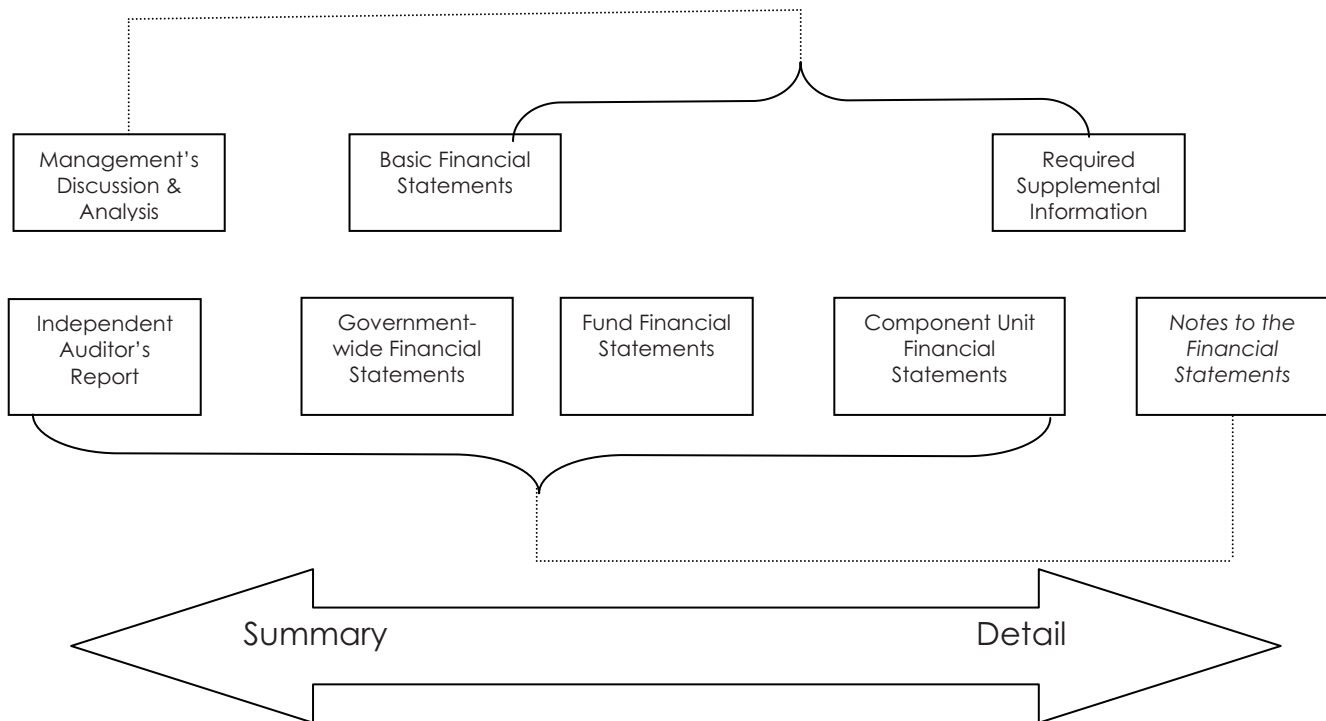
- As of June 30, 2010, the County governmental funds reported combined fund balances of \$54,616,229, a decrease of \$6,592,424 in comparison with the prior year. Approximately 44.96% of the combined fund balances, \$24,556,132, is available to meet the County's current and future needs.
- The General Fund reported a fund balance of \$24,619,746, an increase of \$4,727,569 from June 30, 2009.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Comprehensive Annual Financial Report consists of four sections: introduction, financial, statistical, and compliance.

- The *introductory section* includes the transmittal letter, the County's organizational chart, a list of principal officers and a copy of the 2009 Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association.
- The *financial section* has four component parts - management's discussion and analysis (this section), the basic financial statements which include government-wide financial statements and fund financial statements, required supplementary information, and other supplementary information.
- The *statistical section* includes selected financial and demographic data related to the County, generally presented on a multi-year basis.
- The *compliance section* is required under the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget circular A-133, Audits of State, Local Governments and Non-profit Organizations.

Components of the Financial Section



In the past, the primary focus of local government financial statements has summarized fund type information on a current financial resource basis. This approach was modified in fiscal year 2002 and now consists of two kinds of statements, each with a different view of the County's finances. The government-wide financial statements provide both long-term and short-term information about the County's overall financial status. The fund financial statements, which have been provided in the past, focus on individual parts of the County's government, reporting the County's operations in more detail than the government-wide statements. The basic financial statements also contain notes to explain, in greater detail, the information found in the financial statements.

Government-wide Financial Statements

The government-wide financial statements report information about the County as a whole using accounting methods similar to those found in the private sector. They also report the County's net assets and how they have changed during the fiscal year.

The first government-wide statement - the Statement of Net Assets - presents information on all of the County's assets and liabilities. The difference between assets and liabilities, net assets, can be used as one way to measure the County's financial health, or financial condition. Over time, increases or decreases in the net assets can be one indicator of whether the County's financial condition is improving or deteriorating. Other non-financial factors will also need to be considered, such as changes in the County's property tax base and the condition of County facilities.

The second statement - the Statement of Activities - presents information using the accrual basis accounting method and shows how the County's net assets changed during the fiscal year. All of the current year's revenues and expenses are shown in the Statement of Activities, regardless of when cash is received or paid.

Government-wide Financial Statements (Continued)

The government-wide statements are divided into the following three categories:

Governmental Activities: Most of the County's basic services are reported here, including general administration, judicial administration, public safety, public works, health and welfare, education, parks and recreation, and community development. These activities are financed primarily by property taxes, other local taxes, and federal and state grants. Governmental funds and internal service funds are included in the governmental activities.

Business-type Activities: Albemarle County does not have any business-type activities.

Discretely Presented Component Unit: The County includes the Albemarle County Public Schools in its annual financial report. Although legally separate, this component unit is important because the County is financially accountable for it.

Fund Financial Statements

Traditional users of government financial statements will find the fund financial statements more familiar. These statements provide more detailed information about the County's most significant funds. Funds are used to ensure compliance with finance-related legal requirements and are used to keep track of specific sources of revenues and expenses for particular purposes. The County has three kinds of funds:

Governmental Funds - Most of the County's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances remaining at year-end that are available for spending. The governmental funds financial statements provide a detailed short-term view that helps the reader determine whether there are financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided with the fund's financial statements to explain the relationship (or differences). The General Fund is the main operating account of the County and therefore, the largest of the governmental funds. All other governmental funds, which include special revenue funds and debt service funds, are collectively referred to as non-major governmental funds. The Federal/State Grants Fund (special revenue fund) and the General Capital Improvements Fund (capital projects) are also considered to be major funds.

Proprietary Funds - Proprietary funds, which consist of enterprise funds and internal service funds, operate in a manner similar to private business enterprises in which costs are recovered primarily through a user charge. Proprietary fund financial statements provide both long and short-term financial information. The County does not have an enterprise fund, but does have four internal service funds: health insurance fund, dental plan pool fund, duplication fund, and vehicle replacement fund. These funds are funded by charging County departments and the School Board on a cost reimbursement basis.

Fiduciary Funds - Fiduciary funds are used to account for resources held by the County for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide statements because the funds are not available to support the County's programs. The County's fiduciary funds consist of private purpose trust funds and agency funds. The funds are used to account for monies received, held, and disbursed on behalf of certain developers, housing programs, recipients of scholarship funds, the Commonwealth of Virginia, and certain other agencies and governments.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Statement of Net Assets:

The following table reflects the condensed Statement of Net Assets:

Summary of Net Assets As of June 30, 2010 and 2009 (\$ in thousands)						
	Governmental Activities		Component Unit		Total Entity	
	2010	2009	2010	2009	2010	2009
Assets:						
Current and other assets	\$ 91,671	101,012	\$ 32,285	42,534	\$ 123,956	143,546
Capital Assets (net)	142,734	137,269	70,650	67,909	213,384	205,178
Total Assets	<u>\$ 234,405</u>	<u>\$ 238,281</u>	<u>\$ 102,935</u>	<u>\$ 110,443</u>	<u>\$ 337,340</u>	<u>\$ 348,724</u>
Liabilities:						
Other Liabilities	\$ 9,972	10,103	\$ 19,028	31,225	29,000	41,328
Long-term liabilities	136,985	147,396	4,306	4,569	141,291	151,965
Total Liabilities	<u>\$ 146,957</u>	<u>\$ 157,499</u>	<u>\$ 23,334</u>	<u>\$ 35,794</u>	<u>\$ 170,291</u>	<u>\$ 193,293</u>
Net Assets:						
Invested in capital assets, Net of related debt	\$ 13,677	3,792	\$ 70,650	67,909	84,327	71,701
Unrestricted	73,772	76,990	8,951	6,740	82,723	83,730
Total net assets	<u>\$ 87,449</u>	<u>\$ 80,782</u>	<u>\$ 79,601</u>	<u>\$ 74,649</u>	<u>\$ 167,050</u>	<u>\$ 155,431</u>

The Commonwealth of Virginia requires that counties, as well as their financial dependent component units, be financed under a single taxing structure. This results in counties issuing debt to finance capital assets, such as public schools, for their component units. For the purpose of this financial statement, the debt and correlating asset (or portion therefore) is recorded as an asset and long-term liability of the primary government. GASB Statement No. 14, as amended by GASB Statement No. 39, *The Financial Reporting Entity*, requires that the primary government and its component units, which make up the total reporting entity, be accounted for separately on the face of the basic financial statements. The net assets of the total financial reporting entity best represent the entity's financial position. In the case of the County's reporting entity, total assets exceeded liabilities by \$167,049,577 at June 30, 2010, a 7.48% increase from June 30, 2009. The largest portion of the reporting entity's net assets, \$84,326,947, reflects investment in capital assets (e.g., land, building, and equipment), less the outstanding debt associated with the asset acquisition. Total assets decreased \$11,383,756 from 2009 primarily as a result of less than anticipated general property tax collection and deferral of construction on several school renovations. Total liabilities decreased \$23,002,690 primarily as a result of long term obligations including the non-issuance of general obligation bonds through the Virginia Public School Authority.

Statement of Activities

The following table presents revenues and expenses of governmental activities:

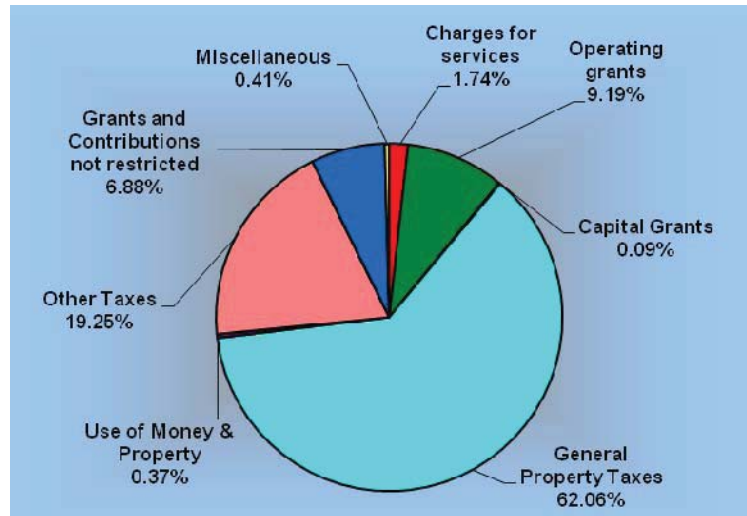
Changes in Net Assets For the Fiscal Year Ended June 30, 2010 and 2009 (\$ in thousands)			
	Governmental Activities		Total % Change
	2010	2009	2010-2009
Revenues:			
Program Revenues:			
Charges for Services	\$ 3,921	\$ 3,742	4.78%
Operating grants and contributions	20,764	19,701	5.40%
Capital grants and contributions	207	471	-56.05%
General Revenues:			
General property taxes, real and personal	140,241	142,649	-1.69%
Other taxes	43,489	44,261	-1.74%
Grants and contributions not restricted	15,557	15,604	-0.30%
Use of Money and Property	847	1,563	-45.81%
Miscellaneous Revenue	937	469	99.79%
Total Revenues	\$ 225,963	\$ 228,460	-1.09%
Expenses:			
General Government	\$ 9,702	\$ 11,995	-19.12%
Judicial Administration	4,817	8,555	-43.69%
Public Safety	31,948	31,876	0.23%
Public Works	6,348	10,262	-38.14%
Health and Welfare	22,711	22,624	0.38%
Education	108,682	109,315	-0.58%
Parks, Recreation, and Cultural	7,477	7,754	-3.57%
Community Development	30,104	25,516	17.98%
Interest on long-term debt	6,038	5,671	6.47%
Total Expenses	\$ 227,827	\$ 233,568	-2.46%
Increase (decrease) in net assets	\$ (1,863)	\$ (5,107)	-63.52%
Beginning net assets	89,312	85,889	3.99%
Ending net assets	\$ 87,449	\$ 80,782	8.25%

Revenues from capital grants and contributions decreased over 50% from 2009 primarily as a result of reductions in funding on both the Federal and State level. Use of money and property decreased 45.81% due to the reduction in interest earned. Miscellaneous Revenue increased almost 100% with General fund miscellaneous revenues totaling \$209,148 compared to \$101,201 in FY 2009 as well as other governmental funds increasing from \$0 in FY 2009 to \$144,070 in FY 2010.

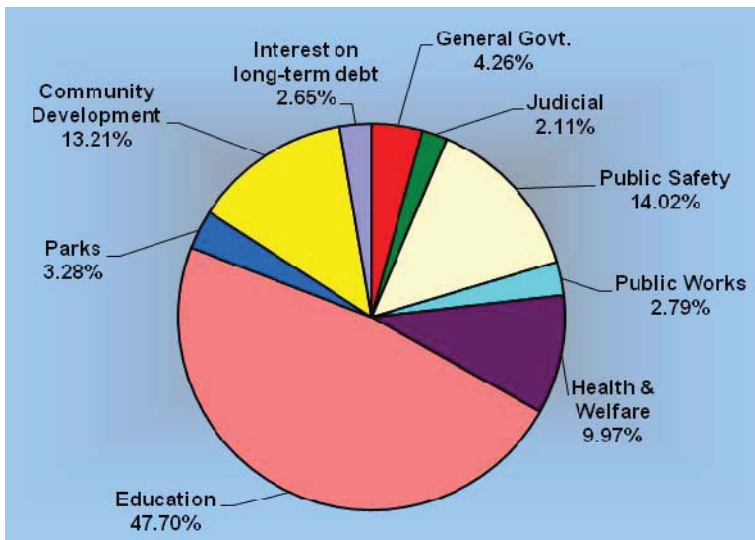
General Government experienced a 19.12% decrease in total expenses as a result of savings due to employee retirement and positions being frozen and not filled. Judicial Administration and Public Works experienced double-digit decreases in total expenditures during FY 2010 due to several capital projects applicable to those functional areas nearing completion. Community Development experienced a 17.98 % increase due to the amount of Revenue Sharing contributed to the City of Charlottesville. In accordance with the agreement the amount to be paid in FY 2010 was \$18,038,878 compared to \$13,633,950 in FY 2009.

**Governmental Activities - Revenues by Sources
For the Fiscal Year Ended June 30, 2010**

Governmental activities total net assets decreased by \$1,863,427. This decrease is due to a 2.46% increase in total expenses and a 1.09% decrease in total revenues. Revenues from governmental activities totaled \$225,963,638 for FY 2010 compared to FY 2009 revenues from governmental activities of \$228,459,977. Taxes comprise the largest source of these revenues, totaling \$183,730,655 or 81% of all governmental activities revenue. Of this amount, general property taxes comprise 76% of the taxes collected totaling \$140,241,324.



**Governmental Activities - Expenses by Function
For the Fiscal Year Ended June 30, 2010**

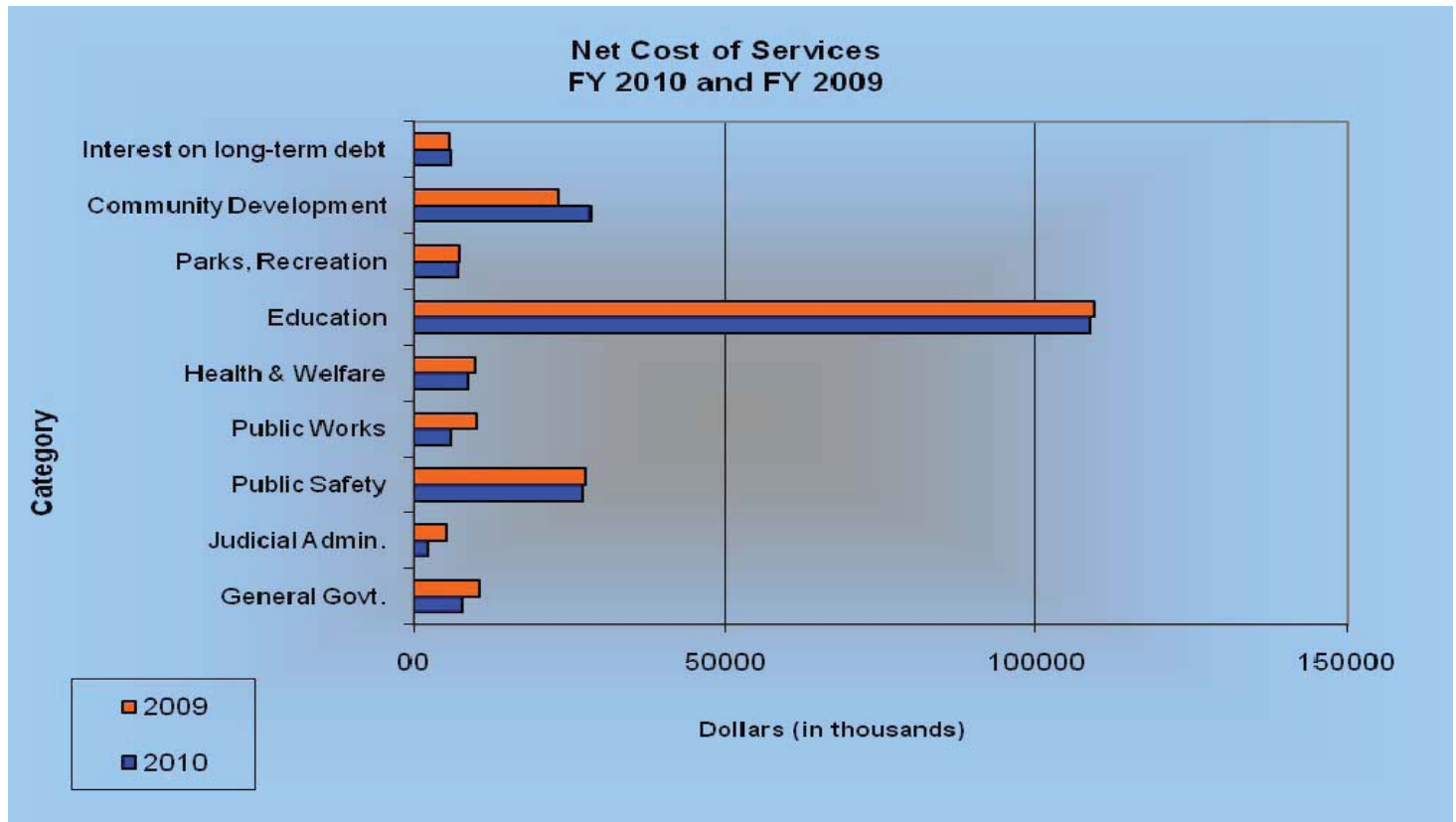


The total cost of all governmental activities for this fiscal year was \$227,827,064. As the chart illustrates, Education continues to be the County's largest program with expenses totaling \$108,681,711. Public Safety expenses, which total \$31,947,939 represents the second largest expense, followed by Community Development at \$30,103,606 and Health and Welfare at \$22,711,257.

For the County's governmental activities, the net expense (total cost less fees generated by the activities and program-specific governmental aid) is illustrated in the following table.

Total Cost and Net Cost of Governmental Activities For the Fiscal Year Ended June 30, 2010 and 2009						
	Total Cost of Services			Net Cost of Services		
	2010	2009	Percentage Change	2010	2009	Percentage Change
General Government	\$ 9,701,766	\$ 11,995,093	-19.12%	\$ 8,055,717	\$ 10,498,898	-23.27%
Judicial Administration	4,817,482	8,555,124	-43.69%	2,457,457	5,324,620	-53.85%
Public Safety	31,947,939	31,875,860	0.23%	27,368,156	27,861,588	-1.77%
Public Works	6,348,136	10,262,008	-38.14%	6,052,247	10,170,301	-40.49%
Health & Welfare	22,711,257	22,623,545	0.39%	8,815,469	9,924,020	-11.17%
Education	108,681,711	109,314,893	-0.58%	108,681,711	109,314,893	-0.58%
Parks, Recreation & Culture	7,477,447	7,753,946	-3.57%	7,096,691	7,402,772	-4.13%
Community Development	30,103,606	25,515,608	17.98%	28,369,780	23,484,750	20.80%
Interest on long-term debt	6,037,722	5,670,737	6.47%	6,037,722	5,670,737	6.47%
Total	\$ 227,827,066	\$ 233,566,814	-2.46%	\$ 202,934,950	\$ 209,652,579	-3.20%

For the year ended June 30, 2010, governmental activities generated \$3,920,772 in program revenues from users of services provided by the activity, as compared to \$3,742,441 for FY 2009. Grant and contributions revenues that subsidize certain programs and activities totaled \$20,764,266 which increased by \$1,063,078 when compared with 2009.



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As of June 30, 2010, the County's governmental funds reported a combined ending fund balance of \$54,616,229, a decrease of \$6,592,424 in comparison with the prior year. Approximately 44.96% (\$24,556,132) is available for spending at the government's discretion (undesignated fund balance). The remainder of fund balance is reserved for special revenue funds (\$2,997,406), capital projects (\$24,803,578), debt service (\$2,195,499), and other purposes (\$63,614).

The General Fund is the main operating fund of the County. At the end of the current fiscal year, general fund had an unreserved fund balance of \$24,556,132 and a reserved fund balance of \$63,614. The general fund's liquidity can be measured by comparing both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 12.91% of total fund expenditures, while total fund balance represents 12.94% of that same amount. The County's general fund balance increased \$4,727,569.

- The General Fund contributed \$97.4 million in operating funds to finance the Schools operations as well as \$1.9 million to the School Capital Projects Fund.
- In the Capital Improvement Fund, the County expended \$9.5 million with \$2.4 million for Volunteer Fire/EMS apparatus, \$1.6 million to renovate the Juvenile Domestic & Relations courthouse, \$1.2 million to the A.C.E. Conservation Easements, \$575 thousand for general facility maintenance for both County Office building locations, and \$506 thousand for capital costs associated with the remediation of the Ivy landfill.

BUDGETARY HIGHLIGHTS

General Fund

The following table provides a comparison of original budget, final budget and actual revenues and expenditures in the general fund:

Budgetary Comparison General Fund For the Fiscal Year Ended June 30, 2010			
	Original Budget	Amended Budget	Actual
Revenues:			
Taxes	\$ 185,262,844	\$ 185,262,844	\$ 180,813,062
Other	4,176,926	4,219,628	4,813,805
Intergovernmental	28,046,215	28,083,627	27,974,342
Total	\$ 217,485,985	\$ 217,566,099	\$ 213,601,209
Expenditures:			
Expenditures	\$ 197,411,994	\$ 199,283,543	\$ 190,238,731
Excess (deficit) of revenues over expenditures	\$ 20,073,991	\$ 18,282,556	\$ 23,362,478
Other Financing Sources (Uses):			
Long term debt issued	\$ -	\$ -	\$ -
Bond Premium	-	-	-
Transfers In	1,505,487	3,795,236	2,019,011
Transfers Out	(22,074,536)	(22,077,792)	(20,653,920)
Total	\$ (20,569,049)	\$ (18,282,556)	\$ (18,634,909)
Change in Fund Balance	\$ (495,058)	\$ -	\$ 4,727,569
Fund balance, beginning of year	\$ 495,058	-	19,892,177
Fund balance, end of year	-	-	24,619,746

The final amended budget appropriations for expenditures and transfers out exceeded the original appropriations by \$1,874,805. This increase is due primarily to Reappropriation of funds for uncompleted projects and prior year purchase order commitments.

Actual revenues were \$3,964,890, or 1.82% less than final budget amounts and actual expenditures were \$9,044,812 or 4.54% less than final budget amounts. Highlights of the comparison of final budget to actual figures for the fiscal year ended June 30, 2010, include the following:

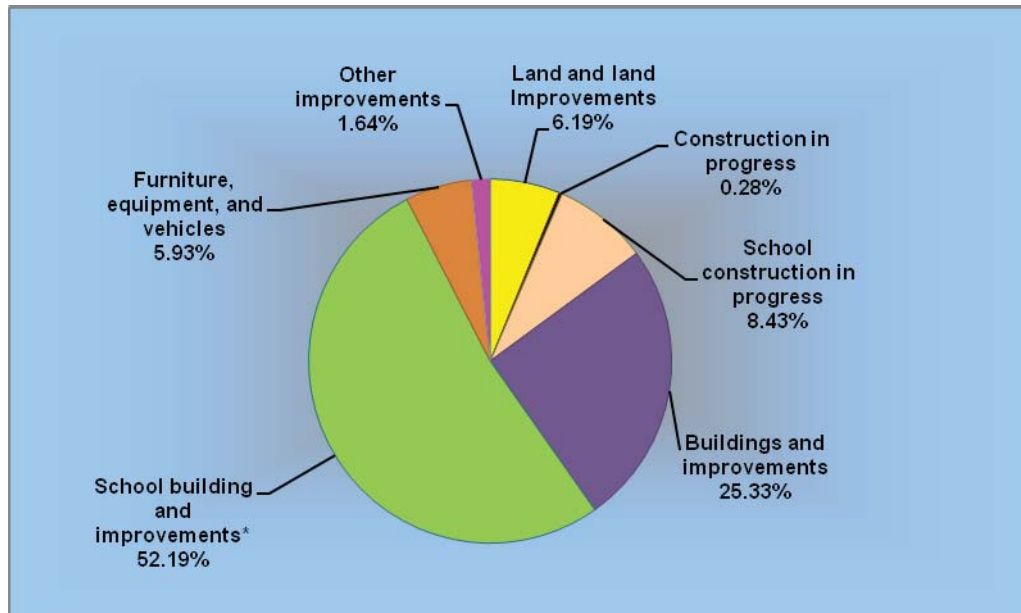
- Actual tax revenues did not exceed budgeted amounts by \$4,449,782 primarily due to lower than anticipated property and other local tax collections.
- General government actual expenditures were \$801,072 less than budgeted, Public Safety actual expenditures were \$1,243,692 less than budgeted, and Community Development actual expenditures were \$913,447 less than budgeted as a result of savings due to employee retirement and positions being frozen and not filled.
- Expenditures in public works were \$762,045 less than budgeted as a result primarily of uncompleted projects carried forward to FY 2011.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

As of June 30, 2010, the County's investment in capital assets totaled \$142,733,895 as summarized below:

Capital Assets as of June 30, 2010



During Fiscal Year 2010, the County's net capital assets (including additions, decreases, and depreciation) decreased \$3,065,117 as summarized below:

Change in Capital Assets Governmental Funds			
	Balance June 30, 2009	Net Additions and Deletions	Balance June 30, 2010
Land and land Improvements	\$ 8,553,476	\$ 283,872	\$ 8,837,348
Construction in progress	8,696,611	(8,291,697)	404,914
School land and construction in progress*	19,670,202	(7,636,233)	12,033,969
Buildings and improvements	43,706,633	10,373,559	54,080,192
School building and improvements*	86,990,000	4,486,670	91,476,670
Furniture, equipment, and vehicles	30,092,191	3,145,711	33,237,902
Other improvements	7,504,869	132,482	7,637,351
Total Capital Assets	\$ 205,213,982	\$ 2,494,364	\$ 207,708,346
Less accumulated depreciation and amortization	(59,414,970)	(5,559,481)	(64,974,451)
Total capital assets, net	\$ 145,799,012	\$ (3,065,117)	\$ 142,733,895

* School Board capital assets are jointly owned by the County (primary government) and the component unit School Board. The County share of the School Board capital assets is in proportion to the debt owed on such assets by the County. The County reports depreciation on these assets as an element of its share of the costs of the public school system.

CAPITAL ASSETS AND LONG-TERM DEBT (CONTINUED)

Capital Assets (Continued)

This year's major capital asset events included the following:

- On-going renovations and additions to Court Facilities including General District Court and Juvenile Domestic Relations Court.
- Acquisition of a ladder truck and brush truck for Crozet Fire Station as well as new Engines for both Earlysville and Scottsville Fire Stations. These apparatus have been determined as extremely needed based on a risk analysis of the development area and surrounding rural area.
- On-going renovations and additions to several schools including Albemarle High School and Brownsville, Elementary as well as replacement of Gym HVAC units and lighting to more energy efficient models.

More detailed information regarding capital assets can be found in Note 7 of the Notes to Financial Statements.

Long-term Debt

- In FY 2010, the County chose not to issue any additional debt including the bond sale of the Virginia Public School Authority or any lease revenue bonds through the Economic Development Authority.

With the non-issuance of any additional debt, the County has a net decrease in its long-term obligations of \$10,411,594, as summarized in the following chart:

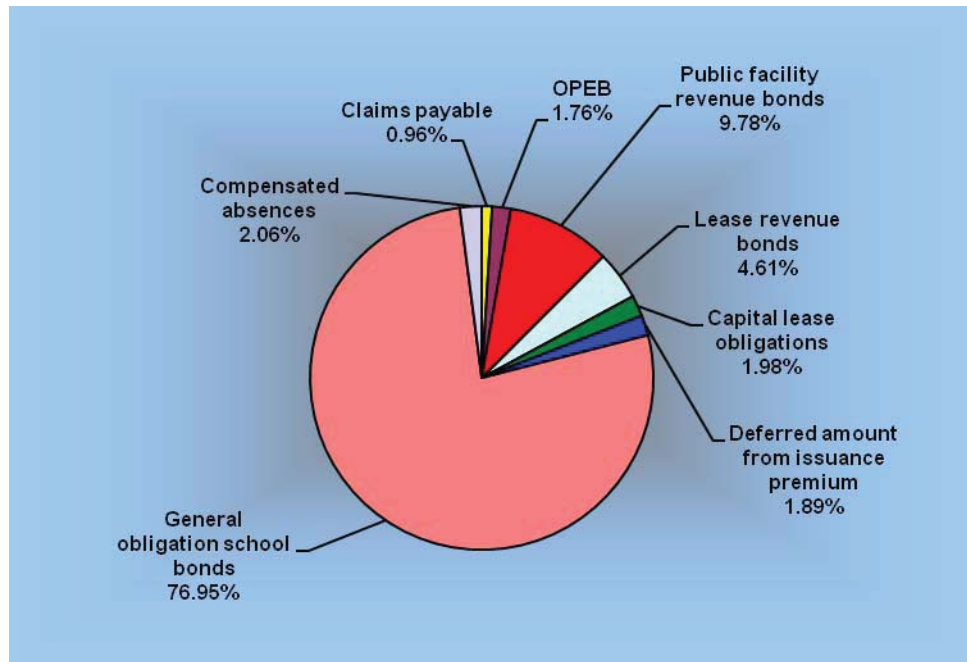
Summary of Long-Term Obligation Changes For the Fiscal Year Ended June 30, 2010			
	Amounts Payable July 1, 2009	Net Increase (Decrease)	Amounts Payable June 30, 2010
Primary Government			
Claims payable	\$ 1,326,175	\$ (6,854)	\$ 1,319,321
OPEB	906,550	1,510,450	2,417,000
Public facility revenue bonds	14,180,000	(785,000)	13,395,000
Lease Revenue Bonds	6,841,021	(524,249)	6,316,772
Capital lease obligations	3,432,350	(719,977)	2,712,373
General obligation bonds - schools	114,935,000	(9,525,000)	105,410,000
Deferred amount for issuance premiums	2,921,308	(330,986)	2,590,322
Compensated absences	2,853,791	(29,978)	2,823,813
Total	<u>\$ 147,396,195</u>	<u>\$ (10,411,594)</u>	<u>\$ 136,984,601</u>

CAPITAL ASSETS AND LONG-TERM DEBT (CONTINUED)

Long-term Debt (Continued)

As of June 30, 2010, the County's long-term obligations total \$136,984,601 and can be summarized as follows:

**Long-Term Obligations
Primary Government as of June 30, 2010**



The County has received an Aaa bond rating from Moody's and Standard & Poor's. This is the highest possible rating given to municipal governments, based on the County's "strong financial management, wealthy and vibrant economy and modest debt burden". Albemarle County was the smallest county in population in the United States to attain this status. These ratings allow the County to borrow at a lower cost to finance county projects. The rating also indicates the type of well-managed fiscal environment that makes the County attractive to businesses.

General obligation indebtedness must be approved by voter referendum prior to issuance except for debt incurred from the State Literary Fund or the Virginia Public School Authority.

The Board of Supervisors has established the following policies relating to debt:

- The County will not fund current operations from the proceeds of borrowed funds.
- The County will manage its financial resources in a way that prevents borrowing to meet working capital needs.
- The County will confine long-term borrowing and capital leases to capital improvements or projects that cannot be financed by current revenues.
- To the extent feasible, any year that the debt service payment falls below its current level, those savings will be used to finance one-time capital needs.

CAPITAL ASSETS AND LONG-TERM DEBT (CONTINUED)

Long-term Debt (Continued)

- When the County finances capital improvements or other projects through bonds or capital leases, it will repay the debt within a period not to exceed the expected useful life of the projects.
- The County's debt offering documents will provide full and complete public disclosure of financial condition and operating results and other pertinent credit information in compliance with municipal finance industry standards for similar issues.
- Recognizing the importance of underlying debt to its overall financial condition, the County will set target debt ratios, which will be calculated annually and included in the annual review of financial trends:
 - ~ Net debt as a percentage of the estimated market value of taxable property should not exceed 2% and
 - ~ The ratio of debt service expenditures to General Fund and School Fund revenues should not exceed 10%.

More detailed information on the County's long-term obligations is presented in Note 8 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The average unemployment rate for the County of Albemarle in June 2010 was 5.8%, the same percentage from June 2009. This compares favorably to the state's rate of 7.1% and the national rate of 9.6%.
- According to the U.S. Census Bureau, the estimated population in Albemarle was 94,908, as of July 1, 2009, with an estimated 78% of individuals over the age of eighteen. The median was calculated at 37.4 years of age.
- During the State's 2004-2006 Biennial Budget process, changes were enacted relating to the Personal Property Tax Relief Program (PPTR) reimbursements to localities. Beginning in 2006, the amount of reimbursement the State was required to pay localities became frozen at the amount the locality was due in CY 2005. In addition, starting in CY 2006, reimbursements to localities are made on the July-to-June state fiscal year.
- The Fiscal Year 2011 Adopted Budget anticipates general fund revenues and expenditures to be \$213,266,298, a 2.55% decrease over the fiscal year 2010 budget. Revenues are comprised primarily of General Property Taxes at 64% with Other Local Taxes comprising 20%. The County's transfer to fund Education operations (including Education debt service) continues to be the largest expenditure area at 45% of total expenditures with Public Safety being the next largest at 14%.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. Questions concerning this report or requests for additional information should be directed to Richard M. Wiggans, Director of Finance, County of Albemarle, 401 McIntire Road, Room 149 Charlottesville, VA 22902, telephone (434) 296-5855, or visit the County's web site at www.albemarle.org.

BASIC FINANCIAL STATEMENTS

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Government-wide Financial Statements

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Statement of Net Assets

At June 30, 2010

	Governmental Activities	Component Unit School Board
Assets		
Cash and investments	\$ 63,676,664	\$ 24,371,850
Receivables, (net of allowance for doubtful accounts) - Note 4	12,438,302	999,163
Due from other governments - Note 5	13,896,436	6,418,553
Prepaid items	19,417	45,893
Inventories	44,548	449,834
Unamortized debt issuance costs	228,053	-
Due from component unit	1,367,718	-
Capital assets - Note 7:		
Capital assets not depreciated	21,276,231	6,096,992
Capital assets being depreciated, (net of accumulated depreciation)	121,457,664	64,552,809
Total capital assets, net	<u>\$ 142,733,895</u>	<u>\$ 70,649,801</u>
 Total assets	 <u>\$ 234,405,033</u>	 <u>\$ 102,935,094</u>
Liabilities		
Accounts payable and accrued expenses	\$ 5,689,545	\$ 17,578,791
Accrued interest payable	2,638,263	-
Due to primary government	-	1,367,718
Unearned revenue - Note 9	1,643,803	81,811
Long-term liabilities - Note 8:		
Due within one year	12,731,294	212,202
Due in more than one year	124,253,307	4,093,816
 Total liabilities	 <u>\$ 146,956,212</u>	 <u>\$ 23,334,338</u>
Net Assets		
Invested in capital assets, net of related debt	\$ 13,677,146	\$ 70,649,801
Unrestricted	73,771,675	8,950,955
 Total net assets	 <u><u>\$ 87,448,821</u></u>	 <u><u>\$ 79,600,756</u></u>

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

Statement of Activities
Year Ended June 30, 2010

Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Governmental Activities	
Primary Government						
Governmental activities						
General government administration	\$ 9,701,766	\$ 66,288	\$ 1,579,761	\$ -	\$ (8,055,717)	\$ -
Judicial administration	4,817,482	888,120	1,471,905	-	(2,457,457)	-
Public safety	31,947,939	1,148,738	3,431,045	-	(27,368,156)	-
Public works	6,348,136	20,345	275,544	-	(6,052,247)	-
Health and welfare	22,711,257	-	13,895,788	-	(8,815,469)	-
Education	108,681,711	-	-	-	(108,681,711)	-
Parks, recreation and cultural	7,477,447	346,209	34,547	-	(7,096,691)	-
Community development	30,103,606	1,451,072	75,676	207,078	(28,369,780)	-
Interest on long-term debt	6,037,722	-	-	-	(6,037,722)	-
Total governmental activities	\$ 227,827,066	\$ 3,920,772	\$ 20,764,266	\$ 207,078	\$ (202,934,949)	\$ -
Component Unit						
Albemarle County Public Schools	\$ 170,027,801	\$ 5,972,130	\$ 56,105,052	\$ 700,000	\$ -	\$ (107,250,619)
General Revenues						
Taxes:						
General property taxes, real and personal				\$ 140,241,324	\$ -	-
Local sales and use taxes				11,622,874	-	-
Business licenses tax				9,367,013	-	-
Consumer utility taxes				9,181,669	-	-
Meals tax				5,389,527	-	-
Motor vehicle licenses tax				3,491,779	-	-
Other taxes				4,436,469	-	-
Payment from County of Albemarle:						
Education				-		108,658,236
Grants and contributions not restricted to specific programs						
				15,556,934	-	-
Unrestricted use of money and property				846,649		799,208
Miscellaneous				937,284		2,745,318
Total general revenues				\$ 201,071,522	\$ 112,202,762	
Change in net assets				\$ (1,863,427)	\$ 4,952,143	
Net assets, beginning of year, as restated				89,312,248	74,648,613	
Net assets, end of year				\$ 87,448,821	\$ 79,600,756	

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

Fund Financial Statements

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Balance Sheet
Governmental Funds
At June 30, 2010

	General Fund	Federal/ State Grants Fund	General Capital Improve- ments	Other Govern- mental Funds	Total Govern- mental Funds
Assets					
Cash and investments	\$ 16,105,810	\$ 2,509,145	\$ 21,520,364	\$ 5,278,527	\$ 45,413,846
Property taxes receivable, (net of allowance for uncollectibles) - Note 4	11,403,132	-	-	-	11,403,132
Receivables, (net of allowance for uncollectibles) - Note 4	880,057	27,301	109,797	-	1,017,155
Due from other governments - Note 5	11,351,502	1,530,276	85,399	929,259	13,896,436
Prepaid items	19,066	-	351	-	19,417
Inventories	44,548	-	-	-	44,548
Total assets	<u>\$ 39,804,115</u>	<u>\$ 4,066,722</u>	<u>\$ 21,715,911</u>	<u>\$ 6,207,786</u>	<u>\$ 71,794,534</u>
Liabilities					
Accounts payable and accrued liabilities	\$ 3,637,258	\$ 1,452,569	\$ 378,681	\$ 162,686	\$ 5,631,194
Unearned revenue - Note 9	1,643,803	-	-	-	1,643,803
Deferred revenue - property taxes - Note 9	9,903,308	-	-	-	9,903,308
Total liabilities	<u>\$ 15,184,369</u>	<u>\$ 1,452,569</u>	<u>\$ 378,681</u>	<u>\$ 162,686</u>	<u>\$ 17,178,305</u>
Fund Balance					
Reserved for:					
Prepaid items	\$ 19,066	\$ -	\$ -	\$ -	\$ 19,066
Inventories	44,548	-	-	-	44,548
Debt service - Debt Service Funds	-	-	-	2,195,499	2,195,499
Unreserved:					
Designated:					
Subsequent year's expenditures:					
Special Revenue Funds	-	2,614,153	-	383,253	2,997,406
Capital projects	-	-	21,337,230	3,466,348	24,803,578
Undesignated	24,556,132	-	-	-	24,556,132
Total fund balance	<u>\$ 24,619,746</u>	<u>\$ 2,614,153</u>	<u>\$ 21,337,230</u>	<u>\$ 6,045,100</u>	<u>\$ 54,616,229</u>
Total liabilities and fund balance	<u>\$ 39,804,115</u>	<u>\$ 4,066,722</u>	<u>\$ 21,715,911</u>	<u>\$ 6,207,786</u>	<u>\$ 71,794,534</u>

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

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets
At June 30, 2010

Total fund balances for governmental funds (Exhibit 3) \$ 54,616,229

Total net assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 8,837,348	
Construction in progress	404,914	
School Board construction in progress	12,033,969	
Buildings and improvements, net of accumulated depreciation	36,158,898	
Other improvements, net of accumulated depreciation	2,340,302	
Furniture, equipment and vehicles, net of accumulated depreciation	8,469,741	
School Board capital assets, net of accumulated depreciation	<u>74,488,723</u>	

Total capital assets 142,733,895

Debt issuance costs net of amortization 228,053

School bond proceeds for which capital assets have not been constructed or acquired. This adjustment is required to properly report actual debt used to construct or acquire capital assets. 1,367,718

Internal services funds are used by the County to charge the cost of health and dental insurance benefits, vehicle replacement and duplicating costs to individual funds and the School Board. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. The internal service funds net assets are: 16,903,161

Some of the County's property taxes will be collected after year-end, but are not available soon enough to pay for the current year's expenditures, and therefore are reported as deferred revenue in the funds. 9,903,308

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Also, the County received a premium on its long-term debt issues and incurred defeasance costs when refunding debt. The premium and defeasance costs will be amortized over the life of the new bond issue as interest is paid. Balances of long-term liabilities affecting net assets are as follows:

Accrued interest on debt	\$ (2,638,263)	
General obligation bonds	(105,410,000)	
Public facility revenue bonds	(13,395,000)	
Lease Revenue Bonds	(6,316,772)	
Capital lease obligations	(2,712,373)	
Other post employment benefits	(2,417,000)	
Unamortized bond premium	(2,590,322)	
Compensated absences	<u>(2,823,813)</u>	<u>(138,303,543)</u>

Total net assets of governmental activities (Exhibits 1 and 2) \$ 87,448,821

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

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

	General Fund	Federal/ State Grants Fund	General Capital Improvements	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 138,373,746	\$ -	\$ -	\$ -	\$ 138,373,746
Other local taxes	42,439,316	-	-	1,050,015	43,489,331
Permits, privilege fees and regulatory licenses	1,538,833	-	-	-	1,538,833
Fines and forfeitures	476,500	-	-	-	476,500
Use of money and property	532,385	1,354	47,103	238,276	819,118
Charges for services	1,807,683	-	-	97,756	1,905,439
Miscellaneous	209,148	47,923	103,507	144,070	504,648
Recovered costs	249,256	88,245	25,874	36,514	399,889
Intergovernmental:					
Contribution from School Board	433,613	1,135,535	-	-	1,569,148
Contribution from Crozet Crossings Trust	-	430,800	-	-	430,800
Contribution from other entities	-	1,836	-	-	1,836
Revenue from the Commonwealth	23,134,130	4,467,742	207,078	-	27,808,950
Revenue from the Federal Government	4,406,599	4,037,185	275,544	-	8,719,328
Total revenues	\$ 213,601,209	\$ 10,210,620	\$ 659,106	\$ 1,566,631	\$ 226,037,566
Expenditures					
Current:					
General government administration	\$ 10,296,021	\$ -	\$ -	\$ -	\$ 10,296,021
Judicial administration	3,642,249	915,747	-	-	4,557,996
Public safety	28,571,513	235,363	-	-	28,806,876
Public works	4,242,047	29,613	-	175,896	4,447,556
Health and welfare	14,590,287	7,694,168	-	-	22,284,455
Education - local community college	23,475	-	-	-	23,475
Education - public school system	97,648,411	-	1,581,238	-	99,229,649
Parks, recreation and cultural	6,188,316	-	-	-	6,188,316
Community development	25,036,412	3,671,958	-	-	28,708,370
Debt service:					
Principal payments	-	-	-	11,554,226	11,554,226
Interest and fiscal charges	-	-	-	6,664,880	6,664,880
Capital projects	-	-	9,476,523	391,647	9,868,170
Total expenditures	\$ 190,238,731	\$ 12,546,849	\$ 11,057,761	\$ 18,786,649	\$ 232,629,990
Excess (deficiency) of revenues over expenditures	\$ 23,362,478	\$ (2,336,229)	\$ (10,398,655)	\$ (17,220,018)	\$ (6,592,424)
Other financing sources (uses)					
Transfers in	\$ 2,019,011	\$ 2,980,038	\$ 611,733	\$ 17,732,881	\$ 23,343,663
Transfers (out)	(20,653,920)	(312,733)	(871,150)	(1,505,860)	(23,343,663)
Total other financing sources (uses)	\$ (18,634,909)	\$ 2,667,305	\$ (259,417)	\$ 16,227,021	\$ -
Net change in fund balance	\$ 4,727,569	\$ 331,076	\$ (10,658,072)	\$ (992,997)	\$ (6,592,424)
Fund balance, beginning of year	19,892,177	2,283,077	31,995,302	7,038,097	61,208,653
Fund balance, end of year	\$ 24,619,746	\$ 2,614,153	\$ 21,337,230	\$ 6,045,100	\$ 54,616,229

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

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

Net change in fund balances - total governmental funds (Exhibit 5) \$ (6,592,424)

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. The amount by which depreciation was exceeded by capital outlays in the current period is as follows:

Capital outlay	\$ 6,005,047	
Depreciation expense	<u>(7,761,100)</u>	(1,756,053)

School Board capital assets are jointly owned by the County and School Board. The County share of School Board capital assets is in proportion to the debt owed on such by the County. The transfers to the School Board are affected by the relationship of the debt to assets on a year to year basis. The net transfer resulting from this relationship increased the transfers to the School Board.

(8,773,860)

Under the modified accrual basis of accounting used in the governmental funds, revenues are recorded when measurable and realizable to pay current obligations. However, in the statement of net assets revenues are reported when earned. This requires adjustments to convert the revenues to the accrual basis.

1,867,578

Bond and capital lease proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases the long term liabilities and does not affect the statement of activities. Similarly, the repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.

Repayments:

General obligation school bonds	\$ 9,525,000
Public facility revenue bonds	785,000
Capital leases	719,977
Lease revenue bonds	<u>524,249</u>

Net adjustment

11,554,226

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes of the following:

Compensated absences	\$ 29,977
Amortization of bond premium	330,986
Amortization of debt issuance costs	(17,887)
Other post employment benefits	(1,510,450)
Accrued interest on bonds and loans	<u>314,059</u>

Net adjustment

(853,315)

Internal service funds are used by the County to charge the costs of health and dental insurance benefits, vehicle replacement and duplicating costs to individual funds. The change in net assets of internal service funds is reported with governmental activities.

2,690,422

Change in net assets of governmental activities (Exhibit 2)

\$ (1,863,426)

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

Statement of Net Assets
 Proprietary Funds
 At June 30, 2010

	Governmental Activities Internal Service Funds
Assets	
Current assets:	
Cash and investments	\$ 18,262,818
Receivables, (net of allowance for doubtful accounts)	<u>18,015</u>
Total assets	\$ <u><u>18,280,833</u></u>
Liabilities	
Current liabilities:	
Accounts payable and accrued expenses	\$ 58,351
Claims payable	<u>1,319,321</u>
Total current liabilities	\$ <u><u>1,377,672</u></u>
Net Assets	
Unrestricted	\$ <u><u>16,903,161</u></u>

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

Statement of Revenues, Expenses, and Changes in Fund Net Assets
 Proprietary Funds
 Year Ended June 30, 2010

	Governmental Activities Internal Service Funds
Operating revenues	
Charges for services, net	\$ 27,437,546
Operating expenses	
Benefits and related expenses	\$ 24,196,120
Services and supplies	578,535
Total operating expenses	\$ 24,774,655
Operating income (loss)	\$ 2,662,891
Nonoperating revenues (expenses)	
Interest income	\$ 27,531
Change in net assets	\$ 2,690,422
Net assets, beginning of year, as restated	14,212,739
Net assets, end of year	\$ 16,903,161

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

Statement of Cash Flows
 Proprietary Funds
 Year Ended June 30, 2010

		Governmental Activities Internal Service Funds
Cash flows from operating activities		
Receipts from insured	\$	26,919,955
Receipts from services		523,300
Payments to suppliers		(24,749,449)
Net cash provided by operating activities	\$	2,693,806
Cash flows from investing activities		
Interest income	\$	27,531
Net increase (decrease) in cash and cash equivalents	\$	2,721,337
Cash and cash equivalents, beginning of year		15,541,481
Cash and cash equivalents, end of year	\$	18,262,818
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	\$	2,662,891
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Changes in assets and liabilities:		
Receivables, net		5,709
Accounts payable and accrued expenses		32,060
Claims payable		(6,854)
Net cash provided (used) by operating activities	\$	2,693,806

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

Statement of Fiduciary Net Assets
At June 30, 2010

	Private Purpose Trust Funds	Agency Funds
Assets		
Cash and investments	\$ 1,371,551	\$ 4,870,223
Investments with trustee	242,012	-
Accounts receivable	518	168,885
Total assets	<u>\$ 1,614,081</u>	<u>\$ 5,039,108</u>
Liabilities		
Accounts payable	\$ 9,952	\$ 386,378
Amounts held for others	-	4,652,730
Total liabilities	<u>\$ 9,952</u>	<u>\$ 5,039,108</u>
Net Assets	<u>\$ 1,604,129</u>	<u>\$ -</u>

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

Statement of Changes in Fiduciary Net Assets
 Fiduciary Funds
 Year Ended June 30, 2010

	Private Purpose Trust Funds
Additions	
Investment earnings (losses)	\$ 32,146
Donations	51,096
Miscellaneous	-
Proffers	137,957
Contribution from school board	-
	<hr/>
Total additions	\$ 221,199
	<hr/>
Deductions	
General	\$ 583,126
Capital improvements	88,507
Contributions	430,800
	<hr/>
Total deductions	\$ 1,102,433
	<hr/>
Change in net assets	\$ (881,234)
	<hr/>
Net assets, beginning of year	2,485,363
	<hr/>
Net assets, end of year	\$ 1,604,129
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The accompanying notes to financial statements are an integral part of this statement.

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COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements June 30, 2010

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Narrative Profile

The County of Albemarle, located in central Virginia and bordered by the counties of Augusta, Buckingham, Fluvanna, Greene, Louisa, Nelson, Orange and Rockingham, was founded in 1744. The County has a population of 93,117 and a land area of 726 square miles.

The County is governed under the County Executive - Board of Supervisors form of government. Albemarle County engages in a comprehensive range of municipal services, including general government administration, public safety and administration of justice, education, health, welfare, human service programs, planning, community development and recreation, cultural, and historic activities.

The financial statements of the County of Albemarle, 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.

A. Financial Reporting Entity

GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* established requirements and a reporting model for the annual financial reports of state and local governments. The Statement was developed to make annual reports easy to understand and more useful to the people who use governmental financial information to make decisions and includes:

- Management's Discussion and Analysis: GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD&A). This analysis is similar to analysis the private sector provides in their annual reports.
- 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 (such as cash and accounts payable) but also capital assets and long-term liabilities (such as buildings and infrastructure, including bridges and roads, and general obligation debt). Accrual accounting also reports all of the revenues and cost of providing services each year, not just those received or paid in the current year or soon thereafter.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

A. Financial Reporting Entity: (Continued)

- Statement of Net Assets: The Statement of Net Assets is designed to display the financial position of the primary government (government and business-type activities) and its discretely presented component units. Governments report all capital assets, including infrastructure, in the government-wide Statement of Net Assets and 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 Program 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).
- Budgetary Comparison: Demonstrating compliance with the adopted budget is an important component of a government’s accountability to the public. Many citizens participate 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. The County and many other governments revise their original budgets over the course of the year for a variety of reasons. Under the GASB 34 reporting model, governments will provide budgetary comparison information in their annual reports including the government’s original budget to the current comparison of final budget and actual results for its major funds.

As required by the accounting principles generally accepted in the United States, these financial statements present the primary government and its component units, entities for which the government is considered to be financially accountable. 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. The County has no component units that meet the requirements for blending. The discretely presented component unit, on the other hand, is reported in a separate column in the government-wide statements to emphasize it is legally separate from the primary government. The discretely presented component unit has a June 30 fiscal year-end.

Inclusions in the Reporting Entity:

1. Component Unit:

Albemarle County School Board

The Albemarle County School Board is elected to four year terms by the County voters. The School Board may hold property and the County issues general obligation debt for the School Board’s capital projects. The School Board provides public primary and secondary education services to the County residents. The primary funding sources of the School Board are state and federal grants, and appropriations from the County, which are significant since the School Board does not have separate taxing authority. The County also approves the School Board budget. The School Board does not issue separate financial statements.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

A. Financial Reporting Entity: (Continued)

Exclusions from the Reporting Entity:

1. Jointly Governed Organizations:

Jointly governed organizations are regional governments or other multi-governmental arrangements that are governed by representation from each of the governments that create the organizations, and the participants do not retain an ongoing financial interest or responsibility in the organization.

The financial activities of the following organizations are excluded from the accompanying financial statements for the reasons indicated:

Jefferson-Madison Regional Library

The Jefferson-Madison Regional Library provides library services to the Counties of Albemarle, Louisa, Madison, Greene and the City of Charlottesville. The participating localities provide annual contributions for operations based on book circulation. No one locality contributes more than 50% of the Library's funding nor can impose its will on the organization, and there is no financial benefit/burden relationship. The County appropriated to the Library \$3,173,138 in operating funds in fiscal year 2010. The County has no equity interest in the Library.

Albemarle-Charlottesville Jail Authority

The City of Charlottesville, the County and Nelson County provide the financial support for the Authority and appoint its governing Board, in which is vested the ability to execute contracts and to budget and expend funds. The localities are charged on a per diem rate for their respective prisoner days. Other localities, the state and the federal government also reimburse the Authority for prisoner care. The Authority is excluded from the reporting entity because the County has no control over Authority fiscal matters. The County has no equity interest in the Jail Authority.

Emergency Communications Center

The University of Virginia, the City of Charlottesville, and the County provide the financial support for the Center and appoint its governing Board, in which is vested the ability to execute contracts and to budget and expend funds. No one locality or organization contributes more than 50% of the Center's funding nor can impose its will on the organization, and there is no financial benefit/burden relationship. The County has no equity interest in the Center.

Albemarle County Service Authority

The Authority was created by the Board of Supervisors to operate the County's water and sewer system. The County has no control over Authority fiscal matters, board members have no continuing relationship with the County, the Authority's board approves its own budget and appoints management, the County is neither legally nor morally obligated for the Authority's debt, the County has no claim on surpluses nor responsibility for financing deficits, and the Authority sets its own rates. The County has no equity interest in the Authority.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

A. Financial Reporting Entity: (Continued)

Exclusions from the Reporting Entity: (Continued)

1. Jointly Governed Organizations: (Continued)

Charlottesville-Albemarle Airport Authority

The Authority is excluded from the reporting entity because the County has no control over Authority fiscal matters. Board members have no continuing relationship with the County, the Authority board approves its own budget and appoints management, and the County is neither legally nor morally obligated for the Authority's debt, the County has no claim on surpluses nor responsibility for financing deficits and the Authority sets its own rates. The County has no equity interest in the Authority.

Rivanna Water and Sewer Authority and Rivanna Solid Waste Authority

The Authorities are excluded from the reporting entity because the County has no control over either Authority's fiscal matters. Both Authority boards approve their own budget and appoint management; the County has no claims on surpluses, or responsibility for financing deficits, and the Authorities set their own rates. The County has no equity interest in either Authority.

Region Ten Community Services Board

The Region Ten Community Services Board was created to provide Mental Health, Mental Retardation and Substance Abuse Services to the residents of the City of Charlottesville and the Counties of Albemarle, Fluvanna, Greene, and Nelson. The Board members are appointed by each participant locality. No locality appoints a majority of the Board members. The participating localities contribute annual operating grants to the Board, but are not required to do so. The participants have no ongoing financial responsibilities to or equity interest in the Board.

Blue Ridge Juvenile Detention Commission

The Commission was created to construct and operate a juvenile detention center for the Counties of Albemarle, Fluvanna and Greene, and the City of Charlottesville. Commission members are appointed by each participant locality. No locality appoints a majority of the Board Members. The participating localities contribute operating and capital grants to the Commission for its operations and debt service. In 2010 the County contributed \$726,801 in operating grants to the Commission. The County has no equity interest in the Commission.

Commission on Children and Families

The Commission on Children and Families was created to improve services to children, youth and families and to be accountable for the efficient use of public/private resources and to be responsive to the changing needs of the community for the County of Albemarle and the City of Charlottesville. The Commission has twenty-eight voting members and neither locality appoints a majority of the Board Members. The participating localities contribute towards the operation of the Commission. In 2009 the County contributed \$230,487 in operating grants to the Commission. The County has no equity interest in the Commission.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

A. Financial Reporting Entity: (Continued)

Exclusions from the Reporting Entity: (Continued)

1. Jointly Governed Organizations: (Continued)

Financial reports for the jointly governed organizations that issue separate financial statements can be obtained as follows:

Albemarle-Charlottesville Jail Authority, the
Emergency Communications Center,
Commission on Children and Families and
the Blue Ridge Juvenile Detention Center
Director of Finance
County of Albemarle
401 McIntire Road
Charlottesville, Virginia 22902

Jefferson-Madison Regional Library
Director of Finance
City of Charlottesville
City Hall
Charlottesville, Virginia 22902

Albemarle County Service Authority
168 Spotnap Road
Charlottesville, Virginia 22902

Charlottesville-Albemarle Airport Authority
Airport Road
Charlottesville, Virginia 22901

Rivanna Water & Sewer Authority and Rivanna
Solid Waste Authority
Franklin Street
Charlottesville, Virginia 22901

Region Ten Community Services Board
800 Preston Avenue
Charlottesville, Virginia 22902

B. Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the County as a whole) and fund financial statements. In the current reporting model the focus is on either the County as a whole or major individual funds (within the fund financial statements). The focus is on both the County as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories, as well as the fiduciary funds, (by category) and the component units. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business type. In the government-wide Statement of Net Assets, the governmental activities columns (a) are presented on a consolidated basis, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information. The County generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The County may defer the use of restricted assets based on a review of the specific transaction.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

B. Government-Wide and Fund Financial Statements: (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.) that 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. 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, and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues. The County does not allocate indirect expenses. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. Proprietary fund operating revenues consist of charges for services and related revenues. Nonoperating revenues consist of contribution, grants, investment earnings and other revenues not directly derived from the providing of services. Internal service charges are eliminated and the net income or loss from internal service activities are allocated to the various functional expense categories based on the internal charges to each function.

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.

The fund statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented which briefly explains the adjustment necessary to reconcile the fund financial statements to the governmental column of the government-wide financial statements.

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 County's fiduciary funds are presented in the fund financial statements by type (private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The following is a brief description of the specific funds used by the County in fiscal year 2010.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

B. Government-Wide and Fund Financial Statements: (Continued)

1. Governmental Funds:

Governmental Funds account for the expendable financial resources, other than those accounted for in Proprietary and Fiduciary Funds. The Governmental Funds utilize the modified accrual basis of accounting where the measurement focus is upon determination of financial position and changes in financial position, rather than upon net income determination as would apply to a commercial enterprise. The individual Governmental Funds are:

- a. General Fund - The General Fund is the primary operating fund of the County and accounts for all revenues and expenditures applicable to the general operations of the County which are not accounted for in other funds. Revenues are derived primarily from property and other local taxes, licenses, permits, charges for services, use of money and property, and intergovernmental grants. The General Fund is considered a major fund for financial reporting purposes.
- b. Special Revenue Funds - Special Revenue Funds account for the proceeds of specific revenue sources (other than those derived from special assessments, expendable trusts, or dedicated for major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. Special Revenue Funds include the following funds:

Federal/State Grants Fund - This fund accounts for various federal and state grant funds including the funding for the Comprehensive Services Act program, criminal justice grants, Section 8 housing program and other related programs. This fund is considered a major fund for financial reporting purposes.

Enhanced 911 Fund - This fund accounts for County revenues assessed for the operation and maintenance of the Enhanced 911 emergency response system.

Courthouse Maintenance Fund - This fund accounts for courthouse maintenance fees collected resulting from traffic and related fines.

Visitor Center Fund - This fund accounts for lease payments from the Thomas Jefferson Memorial Foundation and are used for capital maintenance items.

Stream Buffer Fund - This fund accounts for revenues received in relation to stream protection projects.

Tourism Fund - This fund accounts for funds appropriated for tourism projects.

Old Crozet School Fund - This fund accounts for rental revenues and maintenance and operational expenditures for the Old Crozet School.

c. Debt Service Funds

General Debt Service Fund - This fund accounts for resources accumulated to pay debt service for all general obligation debt incurred for general capital projects. Financing is provided by transfers from the General Fund.

School Debt Service Fund - This fund accounts for debt service expenditures for the school system for the payments of principal and interest on the school system's general long-term debt. Financing is provided by appropriations from the General Fund.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

B. Government-Wide and Fund Financial Statements: (Continued)

1. Governmental Funds: (Continued)

d. Capital Projects Funds

General Capital Improvements Fund - This fund accounts for capital project expenditures for general public improvements and large equipment acquisitions. Financing is provided by governmental grants, capital leases and general fund revenues. This fund is considered a major fund for financial reporting purposes.

e. Storm Water Control Fund - This fund accounts for expenditures for drainage and other systems for storm water control. Financing is provided primarily from General Fund revenues.

2. Proprietary Funds

Proprietary Funds account for operations that are financed in a manner similar to private business enterprises. The Proprietary Funds utilize the accrual basis of accounting where the measurement focus is upon determination of net income, financial position, and changes in financial position. Proprietary Funds consist of Internal Service Funds.

Internal Service Funds - These funds account for the financing of goods and services provided by one department or agency to other departments or agencies of the County government. The Internal Service Funds consist of the Health Insurance Fund, Dental Plan Pool Fund, Duplication Fund and the Vehicle Replacement Fund. A description and nature of each fund follows:

Health Insurance Fund - This fund accounts for all activities of the County and Component Unit School Board employee health insurance program. Other jointly governed organizations also participate in the program.

Dental Plan Pool Fund - This fund accounts for all activities of the County and Component Unit School Board employee dental insurance program. Other jointly governed organizations also participate in the program.

Duplication Fund - This fund accounts for revenues received for copying, printing and related services.

Vehicle Replacement Fund - This fund accounts for activity of the County for the purchase and disposal of County vehicles.

3. Fiduciary Funds (Trust and Agency Funds):

Fiduciary Funds (Trust and Agency Funds) account for assets held by a governmental unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. The funds include Private Purpose Trust and Agency Funds. Private purpose trust funds utilize the accrual basis of accounting as described in the Proprietary Funds presentation. Agency funds also utilize the accrual basis of accounting. The Private Purpose Trust and Agency Funds consist of the following:

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

B. Government-Wide and Fund Financial Statements: (Continued)

3. Fiduciary Funds (Trust and Agency Funds): (Continued)

a. Private Purpose Trust Funds:

H. & L. Graves Trust Fund - This fund accounts for monies provided by a private donor, the corpus of which is nonexpendable. Interest earned on assets may be used by property owners in the Walnut Creek Park area in the event that flooding extends beyond the boundaries of an easement. The County does not control the activity of this fund or utilize these funds for County operations.

McIntire Trust Fund - This fund accounts for monies provided by a private donor, the corpus of which is nonexpendable. Interest and other earnings on assets may be used for educational purposes. The County does not control the activity of this fund or utilize these funds for County operations.

Juanise Dyer Trust Fund - This fund accounts for monies provided by private donors, the corpus of which is nonexpendable. Interest earned on assets may be used to provide for college scholarships for a graduate of one of the County high schools.

Weinstein Trust Fund - This fund accounts for monies provided by private donors, the corpus of which is nonexpendable. Interest earned on assets may be used to provide for the installation of traffic control devices for a certain area of the County. The County does not control the activity of this fund or utilize these funds for County operations.

Crozet Crossings Trust Fund - This fund accounts for monies provided by private donors, the corpus of which is nonexpendable. Interest earned on assets may be used to provide for assistance to persons who qualify for the purchase of homes in the Crozet Crossings project. The County does not control the activity of this fund or utilize these funds for County operations.

WAHS/AHS/MHS Synthetic Turf Field Funds - These funds account for monies provided by private donors to be accumulated for purchase of synthetic turf fields.

Proffer Trust Fund - This fund accounts for funds received for proffers for seven communities located in the County. Earnings on these funds may be used for the construction of or upgrade of certain public improvements in the communities. The County does not control the activity of this fund or utilize these funds for County operations.

b. Agency Funds:

Special Welfare Fund - This fund accounts for monies provided primarily through private donors for assistance of children in foster care, needy senior citizens and others. This fund is also used to account for monies received from other governments and individuals (i.e., social security and child support) to be paid to special welfare recipients.

Hunting and Fishing License Fund - This fund accounts for funds maintained for state hunting and fishing licenses. The funds are remitted to the state on a periodic basis.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

B. Government-Wide and Fund Financial Statements: (Continued)

3. Fiduciary Funds (Trust and Agency Funds): (Continued)

b. Agency Funds: (Continued)

Drug Fund - This fund accounts for monies received from state and federal authorities for the prevention of drug abuse and distribution of illegal substances.

Payroll Suspense Fund - This fund accounts for various employee payroll withholdings and payments of employee benefits.

Performance Bond Fund - This fund accounts for the receipt and disbursements of performance bonds required by the County for erosion and sediment control, and other items relative to construction by private developers.

Fire Program Fund - This fund accounts for fire program funds received from the state. The funds are allocated to the various County volunteer fire companies.

HUD Family Self Sufficiency Fund - This fund accounts for funds received from various sources for families participating in the County housing programs.

County Contribution Fund - This fund accounts for funds received from various sources for charitable and other purposes.

ACE Contribution Fund - This fund accounts for funds received as private citizens donations and will be used in combination with the funding from the County's ACE (Acquisition of Conservation Easements) program to obtain conservation easement acquisitions.

CATEC Fund - This fund accounts for funds received from various sources for Charlottesville-Albemarle Vocational Technical Education Center. The County processes the payroll for the Center.

Appeal Bond Fund - This fund accounts for appeal bonds held for others.

Sheriff Reserve Fund - This fund accounts for funds held for use of the Sheriff's Department.

Belvedere/Avemore Projects - This fund accounts for Developer Funding held for the completion of these projects.

Natural Heritage Fund - This fund accounts for contributions held for the Natural Heritage Committee.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

B. Government-Wide and Fund Financial Statements: (Continued)

4. Component Unit:

Albemarle County School Board:

The Albemarle County School Board has the following funds:

Governmental Funds:

School Operating Fund - This fund is the primary operating fund of the School Board and accounts for all revenues and expenditures applicable to the general operations of the public school system. Revenues are derived primarily from charges for services, appropriations from the County of Albemarle and State and Federal grants. The School Operating Fund is considered a major fund of the School Board for financial reporting purposes.

School Food Services Fund - This fund accounts for the operations of the School Board's food service program. Financing is provided primarily by food and beverage sales, and State and Federal grants. The School Food Services Fund is considered a major fund of the School Board for financial reporting purposes.

School Capital Projects Fund - This fund accounts for school construction and related expenditures of the public school system. Funding is primarily from investment earnings and appropriations from the County of Albemarle. The School Capital Projects Fund is considered a major fund of the School Board for financial reporting purposes.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet in the funds statements. Long-term assets and long-term liabilities are included in the government-wide statements. Operating statements of the governmental funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The government-wide statements of net assets and statements of activities, all proprietary funds, and private purpose trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these activities are either included on the statement of net assets or on the statement of fiduciary net assets. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

C. Basis of Accounting: (Continued)

The statements of net assets, statements of activities, financial statements of the Internal Service Funds, Fiduciary Funds and Agency Funds are presented on the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

The fund financial statements of the General, Special Revenue, Debt Service and Capital Projects, (for the primary government and component unit School Board) are maintained and reported on the modified accrual basis of accounting using the current financial resources measurement focus. Under this method of accounting, revenues are recognized in the period in which they become measurable and available. With respect to real and personal property tax revenue and other local taxes, the term “available” is limited to collection within forty-five days of the fiscal year-end. Levies made prior to the fiscal year-end but which are not available are deferred. Interest income is recorded as earned. Federal and State reimbursement-type grants are recorded as revenue when related eligible expenditures are incurred. Expenditures, other than accrued interest on long-term debt, are recorded when the fund liability is incurred.

D. Budgets and Budgetary Accounting

The Board of Supervisors annually adopts budgets for the various funds of the primary government and component unit School Board. All appropriations are legally controlled at the department level for the primary government funds. The School Board appropriation is determined by the Board of Supervisors and controlled in total by the primary government.

The budgets are integrated into the accounting system, and the budgetary data, as presented in the financial statements for all major funds with annual budgets, compare the expenditures with the amended budgets. All budgets are presented on the modified accrual basis of accounting. Accordingly, the Budgetary Comparison Schedule for the major funds presents actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. Unexpended appropriations on annual budgets lapse at the end of each fiscal year.

Encumbrances:

Encumbrance accounting, the recording of purchase orders, contracts, and other monetary commitments in order to reserve an applicable portion of an appropriation, is used as an extension of formal budgetary control in the primary government and component unit School Board. Encumbrances outstanding at year-end are reported as reservations of fund balance and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent fiscal year. These encumbrances are subject to reappropriation by the Board of Supervisors in the succeeding fiscal year.

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

1. Prior to April 1, the County Executive submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating budget and capital budget includes proposed expenditures and the means of financing them.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

D. Budgets and Budgetary Accounting (Continued)

Encumbrances: (Continued)

2. Public hearings and open-houses are conducted to obtain citizen comments. Also, several work sessions between the Board of Supervisors and School Board were conducted on the School Board budget.
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 fund, function and departmental level. The appropriation for each fund, function and department can be revised only by the Board of Supervisors; however, the School Board is authorized to transfer budgeted amounts within the school system's categories. Supplemental appropriations in addition to the appropriated budget were necessary during the year. Supplemental appropriations may not be made without amending the budget.

5. The County legally adopted budgets for the following funds:

General, Federal/State Grants, Courthouse Maintenance, Visitor Center, Tourism, General Debt Service, School Debt Service, Stormwater Control, School Operating, School Food Services and School Capital Projects Funds.

The County may adopt budgets for other funds, such as the Internal Service and Trust and Agency Funds, for use as a management control device over such funds. There was no legally adopted budget for the General Capital Improvements Fund.

6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. All appropriations lapse on June 30, for all County and School Board funds.
8. All budgetary data presented in the accompanying financial statements is the original budget as of June 30, 2010, as adopted, appropriated and legally amended.
9. The expenditure budget is enacted through an annual appropriations ordinance. Appropriations are made at the departmental level for the primary government and at the function level for the School Board. State law requires that if budget amendments exceed 1% of the original adopted budget the Board of Supervisors may legally amend the budget only by following procedures used in the adoption of the original budget. There were eleven budget amendments during the year that exceeded the 1% or \$500,000 limitations. The Board of Supervisors must approve all appropriations and transfers of appropriated amounts.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

E. Deposits and Investments

For purposes of reporting cash flows for proprietary-type funds, cash and cash equivalents include cash on hand, money market funds, certificates of deposit and investments with maturities of three months or less.

The County maintains a pool of cash and investments in which each fund participates on a dollar equivalent and daily transaction basis. Interest is distributed monthly based on average monthly balances. The majority of funds in the County's accounts are invested at all times.

F. Investments

Investments are reported at fair value.

G. Allowance for Uncollectible Accounts

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$1,165,000 at June 30, 2010 and is comprised of the following:

General Fund-Taxes receivable	\$ <u>1,165,000</u>
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H. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

I. Inventories

Inventories are reported at average cost using the consumption method.

J. Capital Assets

Capital outlays are recorded as expenditures of the governmental funds of the primary government and Component Unit School Board and as assets in the government-wide financial statements to the extent the County's and School Board's capitalization threshold of \$5,000 is met. The County and Component Unit School Board do not have any infrastructure in their capital assets since roads, streets, bridges and similar assets within its boundaries are property of the Commonwealth of Virginia. Depreciation is recorded on capital assets on a government-wide basis using the straight-line method and the following estimated useful lives:

Buildings and improvements	10 to 40 years
Furniture and other improvements	3 to 20 years

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

J. Capital Assets: (Continued)

All capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at their estimated fair market value on the date donated.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenses that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

K. Compensated Absences

The County and Component Unit School Board accrue compensated absences (annual and sick leave benefits) when vested.

The County and School Board have accrued the liability arising from outstanding claims and judgments and compensated absences.

Primary Government

County employees earn vacation and sick leave at various amounts depending on the length of service. Benefits or pay is received for unused sick leave or retirement bonus upon termination. There are various restrictions both for sick leave and retirement bonus upon termination of employment. Accumulated vacation up to 320 hours is paid upon termination. The County has outstanding accrued vacation and sick pay totaling \$2,823,813.

Component Unit School Board

Certain School Board employees accrue vacation and sick leave.

The School Board has outstanding accrued vacation and sick pay totaling \$2,122,018.

L. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

M. Long-Term Obligations

The County reports long-term debt of governmental funds at face value. The face value of the debt is believed to approximate fair value. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 2—DEPOSITS AND INVESTMENTS:

Deposits

All cash of the primary government 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).

Credit Risk

State statutes require that commercial paper have a short-term debt rating of no less than “A-1” (or its equivalent) from at least two of the following; Moody’s Investors Service, Standard & Poor’s and Fitch Investor’s Service. Corporate notes, negotiable Certificates of Deposit and bank deposit notes maturing in less than one year must have a short-term debt rating of at least “A-1” by Standard & Poor’s and “P-1” by Moody’s Investor Service. Notes having a maturity of greater than one year must be rated “AA” by Standard & Poor’s and “Aa” by Moody’s Investor Service. The County’s rated debt investments as of June 30, 2010 were rated by Standard & Poor’s and/or an equivalent national rating organization and the ratings are presented below using the Standard & Poor’s rating scale.

Locality's Rated Debt Investments' Values

Rated Debt Investments	Fair Quality Ratings		
	AAA	AAAm	Unrated
Mutual Fund	\$ -	\$ -	\$ 240,026
U.S. Treasury Money Market Fund	1,377,268	-	-
Virginia State Non-Arbitrage Program	-	1,706,698	-
Local Government Investment Pool	-	39,157,858	-
Total	\$ 1,377,268	\$ 40,864,556	\$ 240,026

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 2—DEPOSITS AND INVESTMENTS: (CONTINUED)

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. If certain investments in any one issuer represent 5% of total investments, there must be a disclosure for the amount and issuer. At June 30, 2010, there is no portion of the County's portfolio, excluding the LGIP and SNAP that exceed 5% of the total portfolio. At present the County does not have a policy related to custodial credit risk.

External Investment Pools

The State Non-Arbitrage Pool (SNAP) is an open-end management investment company registered with the Securities and Exchange Commission (SEC). The fair values 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—PROPERTY TAXES:

Real property taxes are assessed on property values as of January 1, and attach as an enforceable lien on property as of the date levied by the Board of Supervisors. Personal property taxes are assessed on a prorated basis for the period the property is located in the County and also attach as an enforceable lien on the property.

Real estate and personal property taxes are due in two installments, the first on June 5 and the second on December 5.

A ten percent penalty is levied on all taxes not collected on or before their due date. An interest charge of ten percent per annum is also levied on such taxes beginning on their due date.

Property taxes for calendar year 2009 were levied by the County Board of Supervisors on April 8, 2009, on the assessed value listed as of January 1, 2009.

Property taxes for calendar year 2010 were levied by the County Board of Supervisors on March 17, 2010, on the assessed value listed as of January 1, 2010.

Property taxes levied in the current and prior year have been recorded as receivables as of the date the County has the legal right to receive payments thereon. The receivables collected during the fiscal year and during the first 45 days of the succeeding fiscal year are recognized as revenues in the current fiscal year. Taxes receivable as of the end of the year (June 30) and not collected until the succeeding year are reported as deferred revenues.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 4—RECEIVABLES:

Receivables at June 30, 2010 consist of the following:

	Primary Government Governmental Activities						Component Unit
	Federal/ State Grants		General Capital Improvements		Other Governmental Funds		School Board
	General				Internal Service	Total	
Property taxes	\$ 12,568,133	\$ -	\$ -	\$ -	\$ -	\$ 12,568,133	\$ -
Utility taxes	296,012	-	-	-	-	296,012	-
Other	584,044	27,301	109,797	-	18,015	739,157	999,163
Total	\$ 13,448,189	\$ 27,301	\$ 109,797	\$ -	\$ 18,015	\$ 13,603,302	\$ 999,163
Allowance for uncollectibles	(1,165,000)	-	-	-	-	(1,165,000)	-
Net receivables	\$ 12,283,189	\$ 27,301	\$ 109,797	\$ -	\$ 18,015	\$ 12,438,302	\$ 999,163

NOTE 5—DUE FROM OTHER GOVERNMENTAL UNITS:

Due from other governments at June 30, 2010 consist of the following:

	Primary Government					Component Unit
		Special	Capital	Debt		School
	General	Revenue	Projects	Service	Total	Board
Commonwealth of Virginia						
Local sales taxes	\$ 2,140,190	\$ -	\$ -	\$ -	\$ 2,140,190	\$ -
State sales taxes	-	-	-	-	-	2,210,858
PPTRA	6,783,357	-	-	-	6,783,357	-
Communications tax	818,445	-	-	-	818,445	-
Recordation taxes	158,981	-	-	-	158,981	-
Comprehensive Services Act	-	1,353,510		-	1,353,510	-
Shared expenses	165,718	-	-	-	165,718	-
Public assistance grants	275,899	-	-	-	275,899	-
State school funds	-	-	-	-	-	491,719
VPSA technology funds	-	-	-	-	-	700,000
Other state funds	526,285	9,019	-	-	535,304	-
Federal government:						
School funds	-	-	-	-	-	3,015,976
Public assistance grants	457,147	-	-	-	457,147	-
Other federal funds	25,480	167,747	85,399	-	278,626	-
Other governmental entities:						
City of Charlottesville	-	-	-	847,616	847,616	-
Charlottesville-Albemarle						
Airport Authority	-	-	-	81,643	81,643	-
Total	\$ 11,351,502	\$ 1,530,276	\$ 85,399	\$ 929,259	\$ 13,896,436	\$ 6,418,553

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 6—INTERFUND BALANCES AND ACTIVITY:

Primary Government

Balances Due To/From Other Funds

There are no balances due to or from other funds at June 30, 2010.

Transfers To/From Other Funds

General Fund

Federal/State Grants Fund for HUD Section 8 costs	\$ 311,387
Federal/State Grants Fund for other costs	1,346
Capital projects	812,150
Visitor center fund	44,979
Tourism Fund for tourism program costs expended by General Fund	849,149

Total General Fund	\$ 2,019,011
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Federal/State Grants Fund

General Fund for local match funds for various grant programs	\$ 2,980,038
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Total Federal/State Grants Fund	2,980,038
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General Debt Service

General Fund for debt service expenditures	\$ 2,621,438
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School Debt Service

General Fund for anticipated School debt service payments	\$ 14,802,444
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General Capital Projects

Visitor Center Fund for capital project expenditures	\$ 50,000
Stormwater Fund for capital project expenditures	27,116
Tourism Fund for tourism capital projects	500,851
Courthouse Maintenance Fund for building renovations and other costs	33,765

Total General Capital Projects Fund	\$ 611,732
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Stormwater Control Fund

General Fund for capital project expenditures	\$ 250,000
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Old Crozet School Fund

General capital projects fund for expenditures	\$ 59,000
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Total transfers	\$ 23,343,663
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Component Unit School Board

Transfers To/From Other Funds

School Operating Fund:

School Capital Projects for building renovations and other costs	\$ 138,568
School Cafeteria fund for various school expenditures	75,000

Total school operating fund	213,568
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School Capital Projects Fund:

School operating fund for capital expenditures	\$ 550,000
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Total transfers	\$ 763,568
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COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 7—CAPITAL ASSETS:

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

Governmental Activities:

	Restated Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Capital assets not being depreciated:				
Land	\$ 8,553,476	\$ 295,272	\$ 11,400	\$ 8,837,348
Construction in progress	8,696,611	1,799,489	10,091,186	404,914
School construction in progress*	19,670,202	4,970,437	12,606,670	12,033,969
Total capital assets not being depreciated	\$ 36,920,289	\$ 7,065,198	\$ 22,709,256	\$ 21,276,231
Capital assets being depreciated:				
Buildings and improvements	\$ 43,706,633	\$ 10,373,559	\$ -	\$ 54,080,192
Other improvements	7,504,869	132,482	-	7,637,351
School buildings and improvements *	86,990,000	12,606,670	8,120,000	91,476,670
Furniture, equipment and vehicles	30,092,191	3,506,830	361,119	33,237,902
Total capital assets being depreciated	\$ 168,293,693	\$ 26,619,541	\$ 8,481,119	\$ 186,432,115
Less: Accumulated depreciation for:				
Buildings and improvements	\$ 16,338,010	\$ 1,583,284	\$ -	\$ 17,921,294
Other improvements	5,010,998	286,051	-	5,297,049
School buildings and improvements *	16,604,572	2,223,875	1,840,500	16,987,947
Furniture, equipment and vehicles	21,461,390	3,667,890	361,119	24,768,161
Total accumulated depreciation	\$ 59,414,970	\$ 7,761,100	\$ 2,201,619	\$ 64,974,451
Total capital assets being depreciated, net	\$ 108,878,723	\$ 18,858,441	\$ 6,279,500	\$ 121,457,664
Governmental activities capital assets, net	\$ 145,799,012	\$ 25,923,639	\$ 28,988,756	\$ 142,733,895
Depreciation expense was allocated as follows:				
General government administration		\$ 1,962,053		
Judicial administration		259,713		
Public safety		2,613,183		
Public works		126,402		
Health and welfare		67,927		
Education		2,223,875		
Parks, recreation and cultural		425,401		
Community development		82,546		
Total depreciation expense		\$ 7,761,100		

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 7—CAPITAL ASSETS: (CONTINUED)

Component Unit School Board:

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Capital assets not being depreciated:				
Land and land improvements	\$ 6,096,992	\$ -	\$ -	\$ 6,096,992
Construction in progress	19,670,202	4,970,737	12,606,670	12,034,269
School construction in progress allocated to County *	(19,670,202)	(4,970,737)	(12,606,670)	(12,034,269)
Total capital assets not being depreciated	\$ 6,096,992	\$ -	\$ -	\$ 6,096,992
Capital assets being depreciated:				
Buildings and improvements	\$ 207,264,980	\$ 14,479,574	\$ -	\$ 221,744,554
Other improvements	7,062,141	621,456	-	7,683,597
School buildings and improvements*	(86,990,000)	(12,606,670)	(8,120,000)	(91,476,670)
Furniture, equipment and vehicles	29,937,999	2,175,531	104,971	32,008,559
Total capital assets being depreciated	\$ 157,275,120	\$ 4,669,891	\$ (8,015,029)	\$ 169,960,040
Less: Accumulated depreciation for:				
Buildings and improvements	\$ 84,117,155	\$ 7,818,137	\$ -	\$ 91,935,292
Other improvements	3,423,510	429,835	-	3,853,345
School buildings and improvements *	(16,604,572)	(2,223,875)	(1,840,500)	(16,987,947)
Furniture, equipment and vehicles	24,527,066	2,154,143	74,668	26,606,541
Total accumulated depreciation	\$ 95,463,159	\$ 8,178,240	\$ (1,765,832)	\$ 105,407,231
Total capital assets being depreciated, net	\$ 61,811,961	\$ (3,508,349)	\$ (6,249,197)	\$ 64,552,809
School board capital assets, net	\$ 67,908,953	\$ (3,508,349)	\$ (6,249,197)	\$ 70,649,801
Depreciation expense allocated to education		\$ 8,178,240		

* School Board capital assets are jointly owned by the County (primary government) and the component unit School Board. The County share of the School Board capital assets is in proportion to the debt owed on such assets by the County. The County reports depreciation on these assets as an element of its share of the costs of the public school system.

Reconciliation of primary government net assets invested in capital assets, net of related debt:

Net capital assets	\$ 142,733,895
Long-term debt applicable to capital assets at June 30, 2010:	\$ 137,265,488
General obligation school bonds	105,410,000
Deferred amount for issuance premiums	2,590,322
Public facility revenue bonds	13,395,000
Capital lease obligations	2,712,373
Lease Revenue Bonds	6,316,772
Less - debt proceeds received but not expended on capital assets at June 30, 2010:	
Lease revenue debt	(1,367,718)
Net long-term debt, as adjusted	\$ 135,897,770
Net assets invested in capital assets, less related debt	\$ 6,836,125

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 8—LONG-TERM OBLIGATIONS:

Primary Government

General Fund revenues are used to pay all long-term general obligation debt, capital leases and governmental activities compensated absences.

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

	Amounts Payable July 1, 2009	Increases	Decreases	Amounts Payable June 30, 2010	Amounts Due Within One Year
General obligation school bonds	\$ 114,935,000	\$ -	\$ 9,525,000	\$ 105,410,000	\$ 8,745,000
Add deferred amount for issuance premiums	<u>2,921,308</u>	<u>-</u>	<u>330,986</u>	<u>2,590,322</u>	<u>423,959</u>
Total general obligation school bonds	\$ 117,856,308	\$ -	\$ 9,855,986	\$ 108,000,322	\$ 9,168,959
Public facility revenue bonds	14,180,000	-	785,000	13,395,000	810,000
Lease revenue bonds	6,841,021	-	524,249	6,316,772	406,880
Capital lease obligations	3,432,350	-	719,977	2,712,373	743,753
Claims payable	1,326,175	1,319,321	1,326,175	1,319,321	1,319,321
OPEB	906,550	1,510,450	-	2,417,000	-
Compensated absences	<u>2,853,791</u>	<u>1,454,872</u>	<u>1,484,850</u>	<u>2,823,813</u>	<u>282,381</u>
Total primary government	\$ <u>147,396,195</u>	\$ <u>4,284,643</u>	\$ <u>14,696,237</u>	\$ <u>136,984,601</u>	\$ <u>12,731,294</u>

Reconciliation to Exhibit 1:

Long-term liabilities due within one year:	\$ 12,731,294
Long-term liabilities due in more than one year:	<u>124,253,307</u>

Total long-term obligations \$ 136,984,601

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 8—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

Annual requirements to amortize general obligation long-term debt and related interest are as follows:

Year Ending June 30,	School Bonds		Public Facility Revenue Bonds	
	Principal	Interest	Principal	Interest
2011	\$ 8,745,000	\$ 5,041,776	\$ 810,000	\$ 565,153
2012	8,545,000	4,597,338	835,000	537,613
2013	7,825,000	4,194,407	865,000	507,553
2014	7,755,000	3,817,304	900,000	475,980
2015	7,670,000	3,436,971	935,000	441,780
2016	7,645,000	3,057,637	970,000	404,380
2017	7,245,000	2,681,632	1,010,000	365,580
2018	6,950,000	2,319,244	1,050,000	324,170
2019	5,925,000	1,994,569	1,100,000	276,920
2020	5,565,000	1,704,886	1,150,000	226,320
2021	5,425,000	1,440,316	1,200,000	173,420
2022	5,295,000	1,184,022	1,255,000	118,220
2023	4,275,000	945,084	1,315,000	60,490
2024	3,860,000	747,004	-	-
2025	3,525,000	563,468	-	-
2026	3,080,000	398,240	-	-
2027	2,715,000	253,380	-	-
2028	1,965,000	135,915	-	-
2029	1,400,000	35,700	-	-
	<u>\$ 105,410,000</u>	<u>\$ 38,548,892</u>	<u>\$ 13,395,000</u>	<u>\$ 4,477,580</u>

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 8—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

Year Ending June 30,	Lease Revenue Bonds		Capital Lease Obligations	
	Principal	Interest	Principal	Interest
2011	\$ 406,880	\$ 287,327	\$ 743,753	\$ 82,803
2012	426,003	267,754	768,314	58,242
2013	446,026	247,261	793,687	32,869
2014	466,989	225,805	406,619	6,659
2015	488,938	203,341	-	-
2016	511,917	179,821	-	-
2017	205,425	162,963	-	-
2018	215,080	153,082	-	-
2019	225,189	142,735	-	-
2020	235,773	131,903	-	-
2021	246,854	120,561	-	-
2022	258,456	108,686	-	-
2023	270,603	96,253	-	-
2024	283,322	83,236	-	-
2025	296,638	69,607	-	-
2026	310,580	55,337	-	-
2027	325,177	40,397	-	-
2028	340,460	24,755	-	-
2029	356,462	8,377	-	-
	<u>\$ 6,316,772</u>	<u>\$ 2,609,200</u>	<u>\$ 2,712,373</u>	<u>\$ 180,573</u>

Equipment in the amount of \$7,190,000 was acquired under capital leases.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 8—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

Details of general long-term obligations outstanding at June 30, 2010 are as follows:

	<u>Amount Outstanding</u>
Public Facilities Revenue Bonds:	
\$18,535,000, issued March 19, 2003, maturing in various annual installments through January 15, 2023, interest payable semi-annually at rates from 2.0% to 4.60%	\$ <u>13,395,000</u>
General Obligation School Bonds:	
\$3,000,000, 1991A Series, issued May 23, 1991, maturing in various annual installments through December 15, 2010, interest rates from 6.35% to 8.1%	\$ 160,000
\$2,885,000, 1992B Series, issued December 17, 1992, maturing in various annual installments through December 15, 2012, interest payable semi-annually at various interest rates from 5.85% to 8.1%	310,000
\$11,900,000 general obligation school bonds, 1993 series issued November 18, 1993, maturing in various annual installments through December 15, 2013, interest rates from 4.475% to 5%	545,000
\$450,000 issued November 22, 1994, due in various annual installments of \$20,000 and \$25,000 through July 15, 2014 interest payable semi-annually at rates from 6.1% to 6.6%	100,000
\$24,710,000 general obligation school bonds, refunding series 1994A, issued January 3, 1994 maturing in various annual installments through December 15, 2011, interest at rates from 6.069% to 7.169%	1,155,000
\$7,850,000, 1995C Series, issued December 21, 1995, maturing in various annual installments of \$395,000 and \$390,000 through July 15, 2015, interest payable semi-annually at rates from 5.1% to 6.1%	2,340,000
\$5,900,000, 1996B Series, issued November 14, 1996, maturing in annual installments of \$295,000 through July 15, 2017, interest payable semi-annually at rates from 5.1% to 6.1%	2,065,000

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 8—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

Details of general long-term obligations: (Continued)

	<u>Amount Outstanding</u>
General Obligation School Bonds: (Continued)	
\$20,455,000, 1997I Series, issued November 20, 1997, maturing in various annual installments through January 15, 2018, interest payable semi-annually at rates from 4.35% to 5.35%	\$ 8,160,000
\$7,245,000, 1998B Series, issued November 19, 1998, maturing in various annual installments through July 15, 2019, interest payable semi-annually at rates from 3.6% to 5.1%	3,240,000
\$2,835,000, 1999B, Series issued November 19, 1999, maturing in various annual installments through July 15, 2020, interest payable semi-annually at rates from 5.10% to 6.10%	1,400,000
\$2,605,000, 2000B Series, issued November 16, 2000, maturing in various annual installments through July 15, 2021, interest payable semi-annually at rates from 4.975% to 5.85%	1,430,000
\$20,330,000, 2001A series, issued November 15, 2001, maturing in various annual installments through July 15, 2021, interest payable semi-annually at rates from 3.1% to 5.1%	12,180,000
\$8,365,000, 2002A Series, issued October 15, 2002, maturing in various annual installments through July 15, 2022, interest payable semi-annually at rates from 2.35% to 5.10%	5,425,000
\$6,760,000, 2003A Series, issued November 6, 2003, maturing in various annual installments through July 15, 2023, interest payable semi-annually at rates from 3.10% to 5.35%	4,720,000
\$8,950,000, 2004B Series, issued November 10, 2004, maturing in various annual installments through July 15, 2024, interest payable semi-annually at rates from 4.10% to 5.60%	6,700,000

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 8—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

Details of general long-term obligations: (Continued)

	<u>Amount Outstanding</u>
General Obligation School Bonds: (Continued)	
\$7,380,000, 2005A Series, issued November 10, 2005, maturing in various annual installments through July 15, 2025, interest payable semi-annually at rates from 4.10% to 5.60%	\$ 5,900,000
\$15,020,000, 2006B Series, issued November 9, 2006, maturing in various annual installments through July 15, 2026, interest payable semi-annually at rates from 4.23% to 5.10%	12,755,000
\$11,325,000, 2007A Series, issued November 8, 2007, maturing in various annual installments through July 15, 2028, interest payable semi-annually at 5.10%	10,185,000
\$28,045,000, 2008A Series, issued December 11, 2008, maturing in various annual installments through July 15, 2028, interest payable semi-annually at 4.660%	<u>26,640,000</u>
Total general obligation school bonds	\$ <u>105,410,000</u>
Lease Revenue Bond:	
\$6,841,021 lease revenue bonds dated June 10, 2009, due in various semi-annual installments through January 1, 2029, interest at 4.7%	\$ <u>6,316,772</u>
Capital Lease Agreement:	
\$7,000,000 radio lease purchase dated November 6, 2003, due in semi-annual installments of \$413,278 through November 6, 2013, interest at 3.28% (1)	\$ <u>2,712,373</u>
Compensated absences	\$ <u>2,823,813</u>
Claims payable	\$ <u>1,319,321</u>
OPEB	\$ <u>2,417,000</u>
Unamortized bond premium	\$ <u>2,590,322</u>
Total long-term obligations	\$ <u><u>136,984,601</u></u>

(1) The lease proceeds were passed through to a related joint activity that purchased and/or constructed the capital assets.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 8—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

Prior Year Advance Refunding of Debt:

On January 3, 1994, the County issued \$24,710,000 General Obligation Bonds, Refunding 1994A Series to advance refund \$14,095,000 of General Obligation Bonds, Series 1991 and \$10,615,000 General Obligation Bonds Series 1989B. As a result, the 1991 Series and the 1989B Series bonds are considered fully defeased and the liability for those bonds has been removed. At June 30, 2010, \$1,155,000 of the 1991 Series bonds is still outstanding.

Federal Arbitrage Regulations:

The County is in compliance with federal arbitrage regulations. Any potential liabilities arising from arbitrage are estimated to be immaterial in relation to the financial statements.

Component Unit—School Board:

The following is a summary of long-term debt transactions of the School Board for the year ended June 30, 2010.

	Adjusted Amounts Payable July 1, 2009	Increases	Decreases	Amounts Payable June 30, 2010	Amounts Due Within One Year
Compensated absences	\$ 2,122,411	\$ 645,772	\$ 646,165	\$ 2,122,018	\$ 212,202
Other post employment benefits	2,446,658	-	262,658	2,184,000	-
Total	<u>\$ 4,569,069</u>	<u>\$ 645,772</u>	<u>\$ 908,823</u>	<u>\$ 4,306,018</u>	<u>\$ 212,202</u>

Reconciliation to Exhibit 1:

Long-term liabilities due within one year	\$ 212,202
Long-term liabilities due in more than one year	4,093,816
Total long-term debt	<u>\$ 4,306,018</u>

School fund revenues and appropriations from the General Fund are used to pay its compensated absences.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 9—DEFERRED REVENUE:

The following is a summary of deferred revenue for the year ended June 30, 2010.

	<u>Government- wide Statements Governmental Activities</u>	<u>Balance Sheet Governmental Funds</u>	<u>Component Unit School Board</u>
Primary Government:			
Deferred property tax revenue:			
Deferred revenue representing uncollected property tax billings for which asset recognition criteria has not been met. The uncollected tax billings are not available for the funding of current expenditures	\$ -	\$ 9,903,308	\$ -
Prepaid summer school tuition	-	-	33,450
Miscellaneous school grants	-	-	48,361
Prepaid property tax revenues representing collections received for property taxes that are applicable to the subsequent budget year	<u>1,643,803</u>	<u>1,643,803</u>	<u>-</u>
Total primary government	<u>\$ 1,643,803</u>	<u>\$ 11,547,111</u>	<u>\$ 81,811</u>

NOTE 10—COMMITMENTS AND CONTINGENCIES:

Primary Government and Component Unit School Board:

- A. Federal programs in which the County and School Board participate were audited in accordance with the provisions of U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by audit, the federal government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 10—COMMITMENTS AND CONTINGENCIES:

Primary Government and Component Unit School Board: (Continued)

- B. The County was named as a party along with the City of Charlottesville and Rivanna Solid Waste Authority as defendants relating to the operation of the Ivy Landfill. The plaintiffs allege that pollutants have been and are being discharged into the air, and underground and surface waters in violation of various federal and state laws. The plaintiffs sought injunctive relief of \$25,000 per day in civil penalties for violations of federal and state environmental laws and \$5,000,000 in compensatory damages, and payment of all attorneys' fees. The lawsuit has been settled and dismissed by all plaintiffs except for two. Those lawsuits were dismissed without prejudice and may be refiled. The County has no identified insurance coverage for the claim if it is refiled. Counsel is of the opinion that the lawsuit, if re-filed, has potential liability for the County primarily arising from the claim, which could require removal of pollutants from the landfill if they are contaminating adjacent properties, and for related attorney fees. Counsel is of the opinion that the County's liability appears to be limited by the ability of the Rivanna Solid Waste Authority to fund appropriate remediation and settlement of the claims.
- C. Blue Ridge Juvenile Detention Commission - The County, the City of Charlottesville and the Counties of Greene and Fluvanna formed the Commission to construct and operate the facility. At June 30, 2002 the facility construction was complete and operations commenced in July, 2002. The County and the City of Charlottesville have morally guaranteed the revenue bonds for the facility which were \$4,750,000 at June 30, 2010.
- D. On June 27, 2003 the County entered into an agreement with Motorola, Inc. for the purchase of a communication system (basic emergency services radio system and communications towers). The City of Charlottesville and University of Virginia are also parties to this agreement. The financing of the project was provided by a lease/purchase agreement with Motorola in the amount of \$7,000,000 in which the County was the bearer of the debt. The City of Charlottesville received a grant from the federal government in the amount of \$6,000,000 for the project and will pass through a portion of these funds to the County as fiscal agent for the Emergency Communications Center (the operator of the system) as the project is completed. Each locality will be responsible for the purchase and maintenance of radio equipment that will be installed in their law enforcement and emergency services facilities and vehicles. The County has committed to provide its share of the local funding for this project and for the purchase and maintenance of radio equipment to be installed in the County's law enforcement and emergency services facilities and vehicles.
- E. There are a number of matters of litigation involving the County Police Department and certain police officers. All of these matters have been referred to the County's insurance carriers which are handling the matters. Counsel is of the opinion that the County has no liability in the matters other than the financial responsibilities to the insurance carriers.
- F. Fire Services Contract - The County has a ten year fire service contract with the City of Charlottesville. This agreement has been in effect since July 1, 2000 with a base cost of \$644,427 for the first year. Additional charges or credits are dependent on the number of calls answered in the County by City firefighters. Annual adjustments shall not exceed 5% per year or the published change in the Consumer Price Index, whichever is greater. The amount paid in fiscal year 2010 was \$721,249.
- G. There are a number of other ongoing capital projects that have been approved and for which funds have been designated to finance them.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 11—PART-TIME EMPLOYEE PENSION PLANS:

The County contributes to the County of Albemarle Pension Plan for Permanent Part-time Employees, a defined contribution plan for its permanent part-time employees. Under the terms of the plan administered by Qualified Plans Services, employees are eligible to participate following five years of service. Between five and ten years of service, participants receive a contribution of five percent (5%) of covered payroll. Between ten and fifteen years of service, participants receive a contribution of seven percent (7%) of covered payroll. Between fifteen and twenty years of service, participants receive a contribution of nine percent (9%) of covered payroll. Participants with over twenty (20) years of service receive a contribution of eleven percent (11%) of covered payroll.

The County and School Board provide all contributions to the plan (the employee makes no contributions to the plan). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

The County and School Board's contributions to the plan for fiscal year 2010 were \$17,377 and \$225,358, respectively. Total payroll for covered County employees was \$233,075 and for School Board employees was \$3,890,012. The contribution averaged 7.46% and 5.79% of the covered payrolls of the County and School Board, respectively. The County and School Board had no investments with the plan at any time during the year.

NOTE 12—ANNEXATION AND REVENUE SHARING AGREEMENT:

An Annexation and Revenue Sharing Agreement dated February 17, 1982 between the County and the City of Charlottesville, Virginia was approved in a public referendum on May 18, 1982. The agreement requires the County and City annually to contribute portions of their respective real property tax bases and revenues to a Revenue and Economic Growth Sharing Fund. Distribution of the fund and the resulting net transfer of funds shall be made on each January 31 while this agreement remains in effect.

During the time this agreement is in effect, the City will not initiate any annexation procedures against the County. Also, pursuant to this agreement, a committee was created to study the desirability of combining the governments and the services presently provided by them.

This agreement became effective July 1, 1982 and remains in effect until:

1. The County and City are consolidated into a single political subdivision, or
2. The concept for independent cities presently existing in Virginia is altered by State law in such a manner that real property in the City becomes a part of the County's tax base, or
3. The County and City mutually agree to cancel or change the agreement.

During the fiscal year, the County paid \$18,038,878 to the City as a result of this agreement. Amounts to be paid pursuant to this agreement are to be funded from revenues of the fiscal year in which paid.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 13—DEFINED BENEFIT PENSION PLAN:

The County and Component Unit School Board participate in the Virginia Retirement System defined benefit pension plan.

A. Plan Description

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

All full-time, salaried permanent employees of participating employers must participate in the VRS. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service (age 60 for participating local law enforcement officers, firefighters, and sheriffs) or at age 50 with at least 30 years of service if elected by the employer (age 50 with at least 25 years of service for participating local law enforcement officers, firefighters, and sheriffs) payable monthly for life in an amount equal to 1.7% of their average final compensation (AFC) for each year of credited service, (1.85% for sheriffs and if the employer elects, for other employees in hazardous duty positions receiving enhanced benefits). Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for annual cost-of-living adjustment (COLA) beginning in their second year of retirement. The COLA is limited to 5.00% per year. AFC is defined as the highest consecutive 36 months of reported compensation. Participating local law enforcement officers, firefighters, and sheriffs may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The system issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be downloaded from their website at [f](#) or obtained by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23216-2500.

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 their participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County's and School's non-professional employee contribution rates for the fiscal year ended 2010 were 8.54% and 6.17% of annual covered payroll, respectively.

The School Board's contributions for professional employees were \$4,688,633, \$6,547,942 and \$7,423,868, to the teacher cost-sharing pool for the fiscal years ended June 30, 2010, 2009 and 2008, respectively and these contributions represented 8.81%, 8.81% and 10.30%, respectively, of current covered payroll.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 13—DEFINED BENEFIT PENSION PLAN: (CONTINUED)

C. Annual Pension Cost

For fiscal year 2010, the County's annual pension cost of \$2,733,110 was equal to the County's required and actual contributions.

For fiscal year 2010, the County School Board's annual pension cost for the Board's non-professional employees was \$445,906 which was equal to the Board's required and actual contributions.

Trend Information			
Fiscal Year Ending	Annual Pension Cost (APC) (1)	Percentage of APC Contributed	Net Pension Obligation
County:			
June 30, 2010	\$ 2,733,110	100%	\$ -
June 30, 2009	2,836,709	100%	-
June 30, 2008	2,625,079	100%	-
School Board:			
Non-professional:			
June 30, 2010	\$ 445,906	100%	\$ -
June 30, 2009	457,221	100%	-
June 30, 2008	493,749	100%	-

(1) Employer portion only

The required contribution was determined as a part of the June 30, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2009 included (a) an investment rate of return (net of administrative expenses) of 7.50%, (b) projected salary increases ranging from 3.75% to 5.6% for general government and 3.5% 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 2.5% per year. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the County's and the County School Board's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The County's and the County School Board's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2009 is 20 years.

D. Funded Status and Funding Progress

As of June 30, 2009, the most recent actuarial valuation date, the County's plan was 81.98% funded. The actuarial accrued liability for benefits was \$108,874,977, and the actuarial value of assets was \$89,252,513, resulting in an unfunded actuarial accrued liability (UAAL) of \$19,622,464. The covered payroll (annual payroll of active employees covered by the plan) was \$33,006,099, and ratio of the UAAL to the covered payroll was 59.45%.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 13—DEFINED BENEFIT PENSION PLAN: (CONTINUED)

D. Funded Status and Funding Progress: (Continued)

As of June 30, 2009, the most recent actuarial valuation date, the County School Board's plan was 94.61% funded. The actuarial accrued liability for benefits was \$20,584,039, and the actuarial value of assets was \$19,473,921, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,110,118. The covered payroll (annual payroll of active employees covered by the plan) was \$7,570,996, and ratio of the UAAL to the covered payroll was 14.66%.

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

NOTE 14—LEGAL COMPLIANCE:

A. Expenditures in Excess of Appropriations

Expenditures did not exceed appropriations in any fund at June 30, 2010.

B. Fund Deficits

There are no funds with deficit balances at June 30, 2010.

NOTE 15—SELF INSURANCE/RISK MANAGEMENT:

The County administers employee health, dental and unemployment insurance programs. The health and dental insurance activity has accounting in an internal service fund. Unemployment programs have accounting in the General and School funds.

Employee Health Insurance:

Albemarle County, Albemarle County School Board, Albemarle County Water and Sewer Authority, and several other entities established a public entity risk pool to provide consolidated health care benefits for their employees. The plan is based on a service contract with a private carrier in which bills are derived from actual expenses incurred or claims filed. The participating agencies have established a reserve fund to meet any potential liability. Each participating agency is responsible for paying amounts billed by the County.

Liabilities for unpaid claims and claim adjustment expenses are estimated based on the estimated ultimate cost of settling the claims, including the effects of inflation and other societal and economic factors.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 15—SELF INSURANCE/RISK MANAGEMENT: (CONTINUED)Employee Health Insurance: (Continued)

Changes in the balances of claim liabilities during the past three years are as follows:

Fiscal Year		Claims Liability Beginning of Year	Current Year Claims and Changes in Estimates	Claims and Other Payments	Claims Liability End of Year
2010	\$	1,221,818	\$ 25,380,010	\$ 25,364,274	\$ 1,237,554
2009		1,589,222	24,259,093	24,626,497	1,221,818
2008		1,281,105	24,693,414	24,385,297	1,589,222

The following is a summary of revenues and claims expenses for the pool for the last ten years. The pool was formed in fiscal year 1995.

Fiscal Year		Operating Revenue	Non-operating Revenue	Claims and Related Expenses
2010	\$	25,364,274	\$ 25,778	\$ 22,931,951
2009		22,077,528	188,852	24,626,497
2008		22,715,606	467,415	24,385,297
2007		21,400,349	537,733	18,542,025
2006		19,691,975	311,494	17,903,263
2005		17,547,100	43,620	14,778,482
2004		15,463,231	38,440	14,500,090
2003		12,750,485	35,888	12,278,717
2002		10,003,540	100,882	10,631,713
2001		8,643,509	187,902	8,570,830

Employee Dental Insurance:

Albemarle County, Albemarle County School Board, Albemarle County Water and Sewer Authority and several other entities established a public entity risk pool to provide consolidated Dental Care benefits for their employees. The plan is based on a service contract with a private carrier in which bills are derived from actual expenses incurred or claims filed. The participating agencies have established a reserve fund to meet any potential liability. Each participating agency is responsible for paying amounts billed by the County.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 15—SELF INSURANCE/RISK MANAGEMENT: (CONTINUED)

Employee Dental Insurance: (Continued)

Liabilities for unpaid claims and claim adjustment expenses are estimated based on the estimated ultimate cost of settling the claims, including the effects of inflation and other societal and economic factors.

Fiscal Year		Claims Liability Beginning of Year	Current Year Claims and Changes in Estimates	Claims and Other Payments	Claims Liability End of Year
2010	\$	104,357	\$ 1,241,579	\$ 1,264,169	\$ 81,767
2009		38,415	1,419,074	1,353,132	104,357
2008		37,858	1,290,390	1,289,833	38,415

The following is a summary of revenues and claims expenses for the pool.

Fiscal Year		Operating Revenue	Non-operating Revenue	Claims and Related Expenses
2010	\$	1,550,765	\$ 1,187	\$ 1,264,169
2009		1,447,166	6,563	1,353,132
2008		1,370,489	12,498	1,289,833

Unemployment Insurance:

The County and School Board are responsible for employment claims. The Virginia Employment Commission bills the County for all unemployment claims. The liability for billed but unpaid claims has been accrued in the General and School Funds. No liability has been recorded for estimated unreported claims. The amount of estimated unreported claims is not expected to be significant.

Property and Casualty Insurance:

The County contracts with the Virginia Municipal Group Self Insurance Association and the School Board contracts with School Systems of Virginia to provide workers compensation insurance coverage. In the event of a loss deficit and depletion of all assets and available insurance of the Pools, the Pools 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 School Board contracts with private insurance carriers for property damage, employee crime and dishonesty and general liability coverage. The property coverage value amounts are for specific amounts based on values assigned to the insured properties. Liability coverage is \$10,000,000.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 15—SELF INSURANCE/RISK MANAGEMENT: (CONTINUED)

Property and Casualty Insurance: (Continued)

The County contracts with the Virginia Association of Counties for property, employee crime and dishonesty, general liability, public officials and law enforcement liability coverage. This program is similar to the Virginia Municipal Group Self Insurance Association as described above. Liability coverage is \$4,000,000.

Other:

The County has not had reductions in insurance coverage or settlements in excess of insurance coverage for the past three fiscal years.

NOTE 16—SURETY BONDS:

The following County officials are covered by surety bonds in the following amounts:

Virginia Department of Risk Management:	
Debra Shipp, Clerk of the Circuit Court	\$ 3,000,000
Richard M. Wiggans, Director of Finance	750,000
J.E. "Chip" Harding, Sheriff	30,000
Director of Finance and Subordinate Employees—Blanket Bond	500,000
United States Fidelity and Guaranty Company - Surety:	
Clerk of the School Board	10,000
Deputy Clerk of the School Board	10,000
Virginia Association of Counties:	
All County Employees,	
Clerk of the Circuit Court, County Executive and Board of Supervisors—Blanket Bond	500,000

NOTE 17—ACCRUED LANDFILL COSTS:

In 1991 the County transferred its share of the joint City-County landfill operations and the related assets and liabilities (including post-closure care and corrective account costs) to the Rivanna Solid Waste Authority. During the fiscal year ended June 30, 2006 the City and County entered in a Cost Sharing Agreement for purposes of paying any of the post-closure care and corrective action costs that the Rivanna Solid Waste Authority may not have the financial resources to pay. Although the County has entered into a Local Government Guarantee on behalf of the Rivanna Solid Waste Authority, the Virginia Department of Environmental Quality has no legal recourse against the County under this guarantee. The Rivanna Solid Waste Authority has the taxing authority to levy a utility tax on each parcel of real estate in the City and County to generate revenue to pay the post-closure care and corrective actions costs.

The County's percentage of shared costs pursuant to the Agreement is 64.5%. The estimated share of the County's post-closure care and corrective action costs is \$3,802,440. During the fiscal year ended June 30, 2010, the County paid \$507,000 to the Rivanna Solid Waste Authority under the terms and contributions of the Cost Sharing Agreement.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 18—SCHOOL OPERATING FUND BALANCE:

Details of the School Operating Fund balance at June 30, 2010 are as follows:

Reserved:	
Prepaid items	\$ 25,643
Inventories	372,404
Total reserves	<u>\$ 398,047</u>
Designated:	
School Programs:	
Bus Replacement	\$ 799,705
Community Education	482,288
AIMR Summer Rent	570,747
Summer School	480,078
Textbook Replacement	503,265
Fuel reserve	300,000
Building service contingency	300,000
CBIP	293,720
Summer Nutrition	318,051
Miscellaneous	598,909
Total designated funds	<u>\$ 4,646,763</u>
Undesignated:	
Undesignated	<u>\$ 8,178,367</u>
Total	<u><u>\$ 13,223,177</u></u>

NOTE 19—OTHER POST-EMPLOYMENT BENEFITS PROGRAM:

A. Plan Description

The Albemarle County Voluntary Early Retirement Incentive Program (VERIP) is a single-employer defined benefit plan. VERIP benefits are paid monthly for a period of five years or until age 65, whichever comes first. In addition to the monthly stipend, the County will pay an amount equivalent to the Board's annual contribution toward medical insurance. Participants may accept it as a cash payment, or apply it toward the cost of the continuation of their County medical/dental benefits.

To be eligible, employees must meet the age and service criteria for reduced VRS retirement and be a current employee at least 50 years of age and have been employed by the County in a benefits-eligible position for 10 of the last 13 years prior to retirement.

The plan is administered by the County and does not have a separate financial report.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 19—OTHER POST-EMPLOYMENT BENEFITS PROGRAM:

B. Funding Policy

The Albemarle County Government establishes employer medical contribution rates for all medical plan participants as part of the budgetary process each year. The County also determines how the plan will be funded each year, whether it will partially fund the plan or fully fund the plan. Retirees pay 100% of spousal premiums. Coverage ceases when retirees reach the age of 65. Surviving spouses are not allowed access to the plan.

C. Annual OPEB Cost and Net OPEB Obligation

The annual cost of other post employment benefits (OPEB) under GASB 45 is called the annual required contribution or ARC. The estimated pay-as-you-go cost for OPEB benefits is \$402,000 for the County and \$2,088,000 for the Component Unit School Board for fiscal year 2010. The County and School Board have elected not to pre-fund OPEB liabilities. The County and School Board are required to contribute 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 unfunded liability is amortized over a closed 28 year period (as of July 1, 2009) as a level percentage of payroll.

	<u>County</u>	<u>School Board</u>
Annual required contribution	\$ 957,000	\$ 2,946,000
Interest on net OPEB obligation	74,000	53,000
Adjustment to annual required contribution	(69,000)	(48,000)
Annual OPEB cost (expense)	\$ 962,000	\$ 2,951,000
Contributions made	402,000	2,088,000
Increase (decrease) in net OPEB obligation	\$ 560,000	\$ 863,000
Net OPEB obligation - beginning of year	1,857,000	1,321,000
Net OPEB obligation - end of year	<u>\$ 2,417,000</u>	<u>\$ 2,184,000</u>

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 19—OTHER POST-EMPLOYMENT BENEFITS PROGRAM: (CONTINUED)

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

Annual OPEB Cost. For 2010, the County's expected cash payment of \$442,000 and School Board's expected cash payment of \$2,088,000 are less than the OPEB cost (expense) of \$962,000 and \$2,951,000 respectively and were \$560,000 and \$863,000 short of the ARC. The Government's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 are as follows:

Fiscal Year Ended	Primary Government			
	Annual Pension Cost	Estimated Contribution	Percentage of Annual OPEB Cost Contributed	Net Pension Obligation
June 30, 2010	\$ 962,000	\$ 402,000	42%	\$ 560,000
June 30, 2009	1,012,314	559,039	55%	906,550
June 30, 2008	1,012,314	559,039	55%	453,275

Fiscal Year Ended	Component Unit School Board			
	Annual Pension Cost	Estimated Contribution	Percentage of Annual OPEB Cost Contributed	Net Pension Obligation
June 30, 2010	\$ 2,951,000	\$ 2,088,000	71%	\$ 863,000
June 30, 2009	2,732,101	1,508,772	55%	2,446,658
June 30, 2008	2,732,101	1,508,772	55%	1,223,329

Funded Status and Funding Progress.

The funded status of the plan as of June 30, 2009 is as follows:

Actuarial accrued liability (AAL)	\$ 37,159,000
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	37,159,000
Funded ratio (actuarial value of plan assets/AAL)	-
Covered payroll (active plan members)	123,942,040
UAAL as a percentage of covered payroll	29.98%

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.

NOTE 19—OTHER POST-EMPLOYMENT BENEFITS PROGRAM: (CONTINUED)

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

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 each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Cost Method

The valuation uses the projected unit credit method, with linear pro-rata to assumed benefit commencement.

Coverage Status and Age of Spouse

Actual medical coverage status was used in the valuation. Females are assumed to be 3 years younger than male spouses. Employees with individual coverage are assumed to elect individual coverage at retirement while those with family / spouse coverage are assumed to continue family / spouse coverage at retirement. All of the active participants who are eligible to retire under the County's Voluntary Early Retirement Incentive Program (VERIP) will take the flat dollar subsidy, which for FY 11 is \$7,045. The VERIP Subsidy is assumed to increase at a flat rate of 3% per year. It is assumed that 50% of active employees currently enrolled in the County's health care plan will continue in the plan upon retiring from active service. Medical and prescription drugs are assumed to increase at rates ranging from 8.50% in FY 11 to 6.40% in FY 11.

The assumptions and calculations are based on the past three years of premium rates at the time of the valuation and the sharing of costs between the employer and plan members.

	<u>Percentage</u>
Discount rate	4.00%
Payroll Growth	4.00%
Inflation rate	4% to 5% per year
Investment return	4.00%
VERIP increase	3% plus 1/2 % increase from 3% to 7%

The UAAL is being amortized as a level percentage of projected payroll on an open basis.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 19—OTHER POST-EMPLOYMENT BENEFITS PROGRAM: (CONTINUED)

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

Medical Trend Assumption

Based on the Society of Actuaries long-term medical trend model, as revised April 2010. Trends for the next ten years are as follows:

<u>Fiscal Year Ended</u>	<u>Percentage</u>	<u>Fiscal Year Ended</u>	<u>Percentage</u>
2010	10.00%	2015	6.60%
2011	8.50%	2016	6.60%
2012	8.00%	2017	6.50%
2013	7.50%	2018	6.50%
2014	7.00%	2019	6.50%

<u>Total costs</u>	<u>Single</u>	<u>Family</u>
1. Explicit Costs		
a. Pre-medicare	\$ 6,668	\$ 9,402
b. Medicare age	-	-
2. Total Medical Costs		
a. Under 50	\$ 3,740	\$ 7,817
b. Age 50-54	4,480	9,363
c. Age 55-59	5,192	10,851
d. Age 60-64	6,188	12,933
e. Over Age 65	-	-
2. Total Drug Costs		
a. Under 50	\$ 1,408	\$ 2,943
b. Age 50-54	1,794	3,749
c. Age 55-59	2,126	4,443
d. Age 60-64	2,429	5,077
e. Over Age 65	-	-

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2010 (Continued)

NOTE 20—NET ASSET RESTATEMENTS:

Net assets were restated as of July 1, 2009 as follows:

		<u>Primary Government</u>
		<u>Net Assets</u>
Net assets as previously reported:	\$	80,782,030
Adjustment for unrecorded capital assets		<u>8,530,218</u>
Balance July 1, 2009, as restated	\$	<u><u>89,312,248</u></u>

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REQUIRED SUPPLEMENTARY INFORMATION

Note to Required Supplementary Information:

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

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Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 140,053,307	\$ 140,053,307	\$ 138,373,746	\$ (1,679,561)
Other local taxes	45,209,537	45,209,537	42,439,316	(2,770,221)
Permits, privilege fees and regulatory licenses	997,935	997,935	1,538,833	540,898
Fines and forfeitures	535,550	535,550	476,500	(59,050)
Use of money and property	718,627	718,627	532,385	(186,242)
Charges for services	1,622,658	1,662,158	1,807,683	145,525
Miscellaneous	95,428	98,630	209,148	110,518
Recovered costs	206,728	206,728	249,256	42,528
Intergovernmental:				
Contribution from School Board	421,595	421,595	433,613	12,018
Revenue from the Commonwealth	23,486,237	23,486,237	23,134,130	(352,107)
Revenue from the Federal Government	4,138,383	4,175,795	4,406,599	230,804
Total revenues	<u>\$ 217,485,985</u>	<u>\$ 217,566,099</u>	<u>\$ 213,601,209</u>	<u>\$ (3,964,890)</u>
Expenditures				
Current:				
General Government Administration				
Board of supervisors	\$ 587,011	\$ 598,300	\$ 539,785	\$ 58,515
County executive	936,437	936,437	874,645	61,792
Human resources	1,190,598	1,359,485	1,256,326	103,159
County attorney	897,522	897,522	892,976	4,546
Finance	3,997,875	4,001,522	3,923,360	78,162
Information technology	2,306,948	2,306,948	2,143,771	163,177
Voter registration	482,177	547,745	488,318	59,427
Other general administration	424,134	449,134	176,840	272,294
Total general government administration	<u>\$ 10,822,702</u>	<u>\$ 11,097,093</u>	<u>\$ 10,296,021</u>	<u>\$ 801,072</u>
Judicial Administration				
Circuit court	\$ 104,063	\$ 120,563	\$ 117,507	\$ 3,056
General district court	22,700	22,700	19,614	3,086
Magistrate	4,800	4,800	(9,842)	14,642
Juvenile and domestic relations court	133,359	133,359	83,004	50,355
Clerk of the circuit court	687,202	712,780	650,916	61,864
Sheriff	1,958,029	1,967,133	1,888,126	79,007
Commonwealth attorney	899,547	902,077	892,924	9,153
Total judicial administration	<u>\$ 3,809,700</u>	<u>\$ 3,863,412</u>	<u>\$ 3,642,249</u>	<u>\$ 221,163</u>
Public Safety				
Police department	\$ 12,546,016	\$ 12,815,522	\$ 12,173,784	\$ 641,738
E-911 service	1,975,393	1,975,393	1,975,393	-
Fire and rescue services	9,118,601	9,497,285	9,070,999	426,286
Regional jail	3,227,959	3,260,640	3,092,408	168,232
Inspections	1,120,365	1,059,884	1,058,960	924
Contributions from public safety	1,183,540	1,206,481	1,199,969	6,512
Total public safety	<u>\$ 29,171,874</u>	<u>\$ 29,815,205</u>	<u>\$ 28,571,513</u>	<u>\$ 1,243,692</u>
Public Works				
Facilities development	\$ 658,002	\$ 913,989	\$ 911,381	\$ 2,608
Sanitation and waste removal	524,500	553,092	414,106	138,986
Maintenance of buildings and grounds	3,410,753	3,537,011	2,916,560	620,451
Total public works	<u>\$ 4,593,255</u>	<u>\$ 5,004,092</u>	<u>\$ 4,242,047</u>	<u>\$ 762,045</u>

Budgetary Comparison Schedule
General Fund (Continued)
Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Expenditures (Continued)				
Health and Welfare				
Family Services	\$ 992,063	\$ 992,063	\$ 955,640	\$ 36,423
Contribution human development	4,445,291	4,445,291	4,341,642	103,649
Social services	10,262,200	10,261,509	9,293,005	968,504
Total health and welfare	\$ 15,699,554	15,698,863	14,590,287	1,108,576
Education				
Appropriation to public school system	\$ 101,184,577	\$ 101,184,577	\$ 97,648,411	\$ 3,536,166
Community college	23,475	23,475	23,475	-
Total education	\$ 101,208,052	\$ 101,208,052	\$ 97,671,886	\$ 3,536,166
Parks, Recreation and Cultural				
Parks and recreation	\$ 2,251,277	\$ 2,257,480	\$ 2,068,854	\$ 188,626
Towe park	155,862	155,862	123,196	32,666
Regional library	3,173,138	3,173,138	3,173,138	-
Miscellaneous contributions	823,128	823,128	823,128	-
Total parks, recreation and cultural	\$ 6,403,405	\$ 6,409,608	\$ 6,188,316	\$ 221,292
Community Development				
Planning and community development	\$ 4,961,538	\$ 4,996,547	\$ 4,334,770	\$ 661,777
Housing	756,158	959,773	821,076	138,697
Contributions to other agencies	1,479,849	1,487,632	1,484,632	3,000
Revenue sharing agreement - City of Charlottesville	18,038,878	18,038,878	18,038,878	-
Soil and Water Conservation District	96,239	96,239	95,575	664
Cooperative extension program	201,290	201,290	189,447	11,843
Other	169,500	169,500	72,034	97,466
Total community development	\$ 25,703,452	\$ 25,949,859	\$ 25,036,412	\$ 913,447
Contingencies				
Total contingencies	\$ -	\$ 237,359	\$ -	\$ 237,359
Total expenditures	\$ 197,411,994	\$ 199,283,543	\$ 190,238,731	\$ 9,044,812
Excess (deficiency) of revenues over expenditures	\$ 20,073,991	\$ 18,282,556	\$ 23,362,478	\$ 5,079,922
Other Financing Sources (Uses)				
Transfers in	\$ 1,505,487	\$ 3,795,236	\$ 2,019,011	\$ (1,776,225)
Transfers (out)	(22,074,536)	(22,077,792)	(20,653,920)	1,423,872
Total other financing sources (uses)	\$ (20,569,049)	\$ (18,282,556)	\$ (18,634,909)	\$ (352,353)
Net change in fund balance	\$ (495,058)	\$ -	\$ 4,727,569	\$ 4,727,569
Fund balance, beginning of year	495,058	-	19,892,177	19,892,177
Fund balance, end of year	\$ -	\$ -	\$ 24,619,746	\$ 24,619,746

The budgetary data presented above is on the modified accrual basis of accounting which is in accordance with generally accepted accounting principles.

Budgetary Comparison Schedule
Federal/State Grants Fund
Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Use of money and property	\$ -	\$ -	\$ 1,354	\$ 1,354
Miscellaneous	5,000	57,999	47,923	(10,076)
Recovered costs	-	59,440	88,245	28,805
Intergovernmental:				
Contribution from School Board	1,135,535	1,135,535	1,135,535	-
Contribution from Crozet Crossings Trust	-	430,800	430,800	-
Contribution from other entities	-	-	1,836	1,836
Revenue from the Commonwealth	4,516,369	4,629,053	4,467,742	(161,311)
Revenue from the Federal Government	2,946,280	4,920,013	4,037,185	(882,828)
Total revenues	\$ 8,603,184	\$ 11,232,840	\$ 10,210,620	\$ (1,022,220)
Expenditures				
Current:				
Judicial Administration				
Sheriff's office	\$ 690,477	\$ 883,784	\$ 902,063	\$ (18,279)
Circuit Court - records preservation	-	8,741	13,684	(4,943)
Total judicial administration	\$ 690,477	\$ 892,525	\$ 915,747	\$ (23,222)
Public Safety				
Police department	\$ 108,272	\$ 612,055	\$ 235,363	\$ 376,692
Public Works				
Energy efficiency	\$ -	\$ 406,000	\$ 29,613	\$ 376,387
Health and Welfare				
Day care program	\$ -	\$ 25,127	\$ 25,172	\$ (45)
Comprehensive Services Act programs	7,250,000	7,250,000	6,389,960	860,040
At-risk 4 year olds	1,126,621	1,126,621	1,059,208	67,413
Other	5,000	345,390	219,828	125,562
Total health and welfare	\$ 8,381,621	\$ 8,747,138	\$ 7,694,168	\$ 1,052,970
Community Development				
Planning and community development	\$ 14,500	\$ 321,900	\$ 53,064	\$ 268,836
Housing programs	2,642,424	3,526,824	3,618,894	(92,070)
Total community development	\$ 2,656,924	\$ 3,848,724	\$ 3,671,958	\$ 176,766
Total expenditures	\$ 11,837,294	\$ 14,506,442	\$ 12,546,849	\$ 1,959,593
Excess (deficiency) of revenues over expenditures	\$ (3,234,110)	\$ (3,273,602)	\$ (2,336,229)	\$ 937,373
Other Financing Sources (Uses)				
Transfers in	\$ 3,526,366	\$ 3,565,858	\$ 2,980,038	\$ (585,820)
Transfers (out)	(292,256)	(292,256)	(312,733)	(20,477)
Total other financing sources (uses)	\$ 3,234,110	\$ 3,273,602	\$ 2,667,305	\$ (606,297)
Net change in fund balance	\$ -	\$ -	\$ 331,076	\$ 331,076
Fund balance, beginning of year	-	-	2,283,077	2,283,077
Fund balance, end of year	\$ -	\$ -	\$ 2,614,153	\$ 2,614,153

The budgetary data presented above is on the modified accrual basis of accounting which is in accordance with generally accepted accounting principles.

Schedule of Funding Progress for the Virginia Retirement System and Other Post Employment Benefits
Last Three Fiscal Years

County - Virginia Retirement System:

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded (Excess Funded) Actuarial Accrued Liability (UAAL)	Funded Ratio (2) / (3)	Annual Covered Payroll	UAAL as % of Payroll (4) / (6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2009	\$ 89,252,513	\$ 108,874,977	\$ 19,622,464	81.98%	\$ 33,006,099	59.45%
6/30/2008	85,264,039	99,058,267	13,794,228	86.07%	32,328,016	42.67%
6/30/2007	75,816,139	87,377,688	11,561,549	86.77%	30,212,993	38.27%

Discretely Presented Component Unit - School Board:
School Board Non-Professionals - Virginia Retirement System:

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded (Excess Funded) Actuarial Accrued Liability (UAAL)	Funded Ratio (2) / (3)	Annual Covered Payroll	UAAL as % of Payroll (4) / (6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2009	\$ 19,473,921	\$ 20,584,039	\$ 1,110,118	94.61%	\$ 7,570,996	14.66%
6/30/2008	18,860,316	19,002,808	142,492	99.25%	7,125,895	2.00%
6/30/2007	16,806,590	17,368,322	561,732	96.77%	6,990,766	8.04%

County and School Board - Other Post-Employment Benefits *

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded (Excess Funded) Actuarial Accrued Liability (UAAL)	Funded Ratio (2) / (3)	Annual Covered Payroll	UAAL as % of Payroll (4) / (6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2009	\$ -	\$ 37,159,000	\$ 37,159,000	0.00%	\$ 123,942,040	29.98%
6/30/2008	-	37,280,000	37,280,000	0.00%	123,942,040	30.08%

*

* Information provided by the Department of Finance

OTHER SUPPLEMENTARY INFORMATION

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Combining Balance Sheet
Nonmajor Governmental Funds
At June 30, 2010

	Special Revenue	Debt Service	Capital Projects	Total
Assets				
Cash and investments	\$ 397,632	\$ 1,414,547	\$ 3,466,348	\$ 5,278,527
Due from other governments	-	929,259	-	929,259
Total assets	<u>\$ 397,632</u>	<u>\$ 2,343,806</u>	<u>\$ 3,466,348</u>	<u>\$ 6,207,786</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 14,379	\$ 148,307	-	\$ 162,686
Total liabilities	<u>\$ 14,379</u>	<u>\$ 148,307</u>	<u>-</u>	<u>\$ 162,686</u>
Fund Balance				
Reserved for:				
Debt service	\$ -	\$ 2,195,499	-	\$ 2,195,499
Unreserved:				
Designated:				
Subsequent year's expenditures	383,253	-	-	383,253
Capital projects	-	-	3,466,348	3,466,348
Total fund balance	<u>\$ 383,253</u>	<u>\$ 2,195,499</u>	<u>\$ 3,466,348</u>	<u>\$ 6,045,100</u>
Total liabilities and fund balance	<u>\$ 397,632</u>	<u>\$ 2,343,806</u>	<u>\$ 3,466,348</u>	<u>\$ 6,207,786</u>

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

	Special Revenue	Debt Service	Capital Projects	Total
Revenues				
Other local taxes	\$ 1,050,015	\$ -	\$ -	\$ 1,050,015
Use of money and property	14,303	217,940	6,033	238,276
Charges for services	43,883	-	53,873	97,756
Miscellaneous	-	144,070	-	144,070
Recovered costs	-	36,514	-	36,514
Total revenues	<u>\$ 1,108,201</u>	<u>\$ 398,524</u>	<u>\$ 59,906</u>	<u>\$ 1,566,631</u>
Expenditures				
Current:				
Public works	\$ 175,896	\$ -	\$ -	\$ 175,896
Debt service:				
Principal payments	-	11,554,226	-	11,554,226
Interest and fiscal charges	-	6,664,880	-	6,664,880
Capital projects	-	-	391,647	391,647
Total expenditures	<u>\$ 175,896</u>	<u>\$ 18,219,106</u>	<u>\$ 391,647</u>	<u>\$ 18,786,649</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 932,305</u>	<u>\$ (17,820,582)</u>	<u>\$ (331,741)</u>	<u>\$ (17,220,018)</u>
Other financing sources (uses)				
Transfers in	\$ 59,000	\$ 17,423,881	\$ 250,000	\$ 17,732,881
Transfers (out)	<u>(1,478,744)</u>	<u>-</u>	<u>(27,116)</u>	<u>(1,505,860)</u>
Total other financing sources (uses)	<u>\$ (1,419,744)</u>	<u>\$ 17,423,881</u>	<u>\$ 222,884</u>	<u>\$ 16,227,021</u>
Net change in fund balance	\$ (487,439)	\$ (396,701)	\$ (108,857)	\$ (992,997)
Fund balance, beginning of year	<u>870,692</u>	<u>2,592,200</u>	<u>3,575,205</u>	<u>7,038,097</u>
Fund balance, end of year	<u><u>\$ 383,253</u></u>	<u><u>\$ 2,195,499</u></u>	<u><u>\$ 3,466,348</u></u>	<u><u>\$ 6,045,100</u></u>

Combining Balance Sheet
Nonmajor Special Revenue Funds
At June 30, 2010

	<u>E-911 Fund</u>	<u>Courthouse Maintenance Fund</u>	<u>Visitor Center Fund</u>	<u>Stream Buffer Fund</u>	<u>Tourism Fund</u>	<u>Old Crozet School Fund</u>	<u>Total</u>
Assets							
Cash and investments	\$ 2,039	\$ 31,071	\$ 36	\$ 3,062	\$ 346,975	\$ 14,449	\$ 397,632
Total assets	<u>\$ 2,039</u>	<u>\$ 31,071</u>	<u>\$ 36</u>	<u>\$ 3,062</u>	<u>\$ 346,975</u>	<u>\$ 14,449</u>	<u>\$ 397,632</u>
Liabilities							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,379	\$ 14,379
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,379</u>	<u>\$ 14,379</u>
Fund Balance							
Unreserved:							
Designated:							
Subsequent year's expenditures	\$ 2,039	\$ 31,071	\$ 36	\$ 3,062	\$ 346,975	\$ 70	\$ 383,253
Total fund balance	<u>\$ 2,039</u>	<u>\$ 31,071</u>	<u>\$ 36</u>	<u>\$ 3,062</u>	<u>\$ 346,975</u>	<u>\$ 70</u>	<u>\$ 383,253</u>
Total liabilities and fund balance	<u>\$ 2,039</u>	<u>\$ 31,071</u>	<u>\$ 36</u>	<u>\$ 3,062</u>	<u>\$ 346,975</u>	<u>\$ 14,449</u>	<u>\$ 397,632</u>

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

	<u>E-911 Fund</u>	<u>Courthouse Maintenance Fund</u>	<u>Visitor Center Fund</u>	<u>Stream Buffer Fund</u>	<u>Tourism Fund</u>	<u>Old Crozet School Fund</u>	<u>Total</u>
Revenues							
Other local taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,050,015	\$ -	\$ 1,050,015
Use of money and property	92	-	-	-	-	14,211	14,303
Charges for services	-	43,883	-	-	-	-	43,883
Total revenues	\$ 92	\$ 43,883	\$ -	\$ -	\$ 1,050,015	\$ 14,211	\$ 1,108,201
Expenditures							
Current:							
Public works	\$ -	\$ -	\$ 99,542	\$ -	\$ -	\$ 76,354	\$ 175,896
Total expenditures	\$ -	\$ -	\$ 99,542	\$ -	\$ -	\$ 76,354	\$ 175,896
Excess (deficiency) of revenues over expenditures	\$ 92	\$ 43,883	\$ (99,542)	\$ -	\$ 1,050,015	\$ (62,143)	\$ 932,305
Other financing sources (uses)							
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,000	\$ 59,000
Transfers (out)	-	(33,765)	(94,979)	-	(1,350,000)	-	(1,478,744)
Total other financing sources (uses)	\$ -	\$ (33,765)	\$ (94,979)	\$ -	\$ (1,350,000)	\$ 59,000	\$ (1,419,744)
Net change in fund balance	\$ 92	\$ 10,118	\$ (194,521)	\$ -	\$ (299,985)	\$ (3,143)	\$ (487,439)
Fund balance, beginning of year	1,947	20,953	194,557	3,062	646,960	3,213	870,692
Fund balance, end of year	\$ 2,039	\$ 31,071	\$ 36	\$ 3,062	\$ 346,975	\$ 70	\$ 383,253

Combining Balance Sheet
Nonmajor Debt Service Funds
At June 30, 2010

	Debt Service		
	General	School	Total
Assets			
Cash and investments	\$ 1,413,817	\$ 730	\$ 1,414,547
Due from other governments	929,259	-	929,259
Total assets	<u>\$ 2,343,076</u>	<u>\$ 730</u>	<u>\$ 2,343,806</u>
Liabilities			
Accounts payable and accrued liabilities	\$ 148,307	\$ -	\$ 148,307
Total liabilities	<u>\$ 148,307</u>	<u>\$ -</u>	<u>\$ 148,307</u>
Fund Balance			
Reserved for:			
Debt service	\$ 2,194,769	\$ 730	\$ 2,195,499
Total fund balances	<u>\$ 2,194,769</u>	<u>\$ 730</u>	<u>\$ 2,195,499</u>
Total liabilities and fund balances	<u>\$ 2,343,076</u>	<u>\$ 730</u>	<u>\$ 2,343,806</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
Year Ended June 30, 2010

	Debt Service		
	General	School	Total
Revenues			
Use of money and property	\$ 2	\$ 217,938	\$ 217,940
Miscellaneous	-	144,070	144,070
Recovered costs	36,514	-	36,514
Total revenues	\$ 36,516	\$ 362,008	\$ 398,524
Expenditures			
Debt service:			
Principal payments	\$ 2,029,226	\$ 9,525,000	\$ 11,554,226
Interest and fiscal charges	1,025,428	5,639,452	6,664,880
Total expenditures	\$ 3,054,654	\$ 15,164,452	\$ 18,219,106
Excess (deficiency) of revenues over expenditures	\$ (3,018,138)	\$ (14,802,444)	\$ (17,820,582)
Other financing sources (uses)			
Transfers in	\$ 2,621,437	\$ 14,802,444	\$ 17,423,881
Total other financing sources (uses)	\$ 2,621,437	\$ 14,802,444	\$ 17,423,881
Net change in fund balance	\$ (396,701)	\$ -	\$ (396,701)
Fund balance, beginning of year	2,591,470	730	2,592,200
Fund balance, end of year	\$ 2,194,769	\$ 730	\$ 2,195,499

Combining Statement of Net Assets
Internal Service Funds
At June 30, 2010

	Health Insurance Fund	Dental Plan Pool Fund	Duplicating Fund	Vehicle Replacement Fund	Total Internal Service Funds
Assets					
Current assets:					
Cash and investments	\$ 17,051,913	\$ 888,698	\$ 14,041	\$ 308,166	\$ 18,262,818
Accounts receivable	<u>16,244</u>	<u>683</u>	<u>1,088</u>	<u>-</u>	<u>18,015</u>
Total assets	<u>\$ 17,068,157</u>	<u>\$ 889,381</u>	<u>\$ 15,129</u>	<u>\$ 308,166</u>	<u>\$ 18,280,833</u>
Liabilities					
Current liabilities:					
Accounts payable and accrued expenses	\$ 41,221	\$ 9,265	\$ 7,865	\$ -	\$ 58,351
Claims payable	<u>1,237,554</u>	<u>81,767</u>	<u>-</u>	<u>-</u>	<u>1,319,321</u>
Total current liabilities	\$ 1,278,775	\$ 91,032	\$ 7,865	\$ -	\$ 1,377,672
Net assets					
Unrestricted	<u>\$ 15,789,382</u>	<u>\$ 798,349</u>	<u>\$ 7,264</u>	<u>\$ 308,166</u>	<u>\$ 16,903,161</u>
Total net assets	<u>\$ 15,789,382</u>	<u>\$ 798,349</u>	<u>\$ 7,264</u>	<u>\$ 308,166</u>	<u>\$ 16,903,161</u>

Combining Statement of Revenues, Expenses and
Changes in Fund Net Assets
Internal Service Funds
Year Ended June 30, 2010

	<u>Health Insurance Fund</u>	<u>Dental Plan Pool Fund</u>	<u>Duplicating Fund</u>	<u>Vehicle Replacement Fund</u>	<u>Total Internal Service Funds</u>
Operating revenues					
Charges for services, net	\$ 25,364,274	\$ 1,550,765	\$ 178,271	\$ 344,236	\$ 27,437,546
Operating expenses					
Benefits and related expenses	\$ 22,931,951	\$ 1,264,169	\$ -	\$ -	\$ 24,196,120
Services and supplies	-	-	171,007	407,528	578,535
Total operating expenses	\$ 22,931,951	\$ 1,264,169	\$ 171,007	\$ 407,528	\$ 24,774,655
Operating income (loss)	\$ 2,432,323	\$ 286,596	\$ 7,264	\$ (63,292)	\$ 2,662,891
Nonoperating revenues (expenses)					
Interest income	\$ 25,778	\$ 1,187	\$ -	\$ 566	\$ 27,531
Change in net assets	\$ 2,458,101	\$ 287,783	\$ 7,264	\$ (62,726)	\$ 2,690,422
Net assets, beginning of year	13,331,281	510,566	-	370,892	14,212,739
Net assets, end of year	<u>\$ 15,789,382</u>	<u>\$ 798,349</u>	<u>\$ 7,264</u>	<u>\$ 308,166</u>	<u>\$ 16,903,161</u>

Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2010

	Health Insurance Fund	Dental Plan Pool Fund	Duplicating Fund	Vehicle Replacement Fund	Total Internal Service Funds
Cash flows from operating activities					
Receipts from insured	\$ 25,369,873	\$ 1,550,082	\$ -	\$ -	\$ 26,919,955
Receipts from services	-	-	179,064	344,236	523,300
Payments to suppliers	(22,875,880)	(1,294,871)	(171,170)	(407,528)	(24,749,449)
Net cash provided (used) by operating activities	\$ 2,493,993	\$ 255,211	\$ 7,894	\$ (63,292)	\$ 2,693,806
Cash flows from investing activities					
Interest income	\$ 25,778	\$ 1,187	\$ -	\$ 566	\$ 27,531
Net increase (decrease) in cash and cash equivalents	\$ 2,519,771	\$ 256,398	\$ 7,894	\$ (62,726)	\$ 2,721,337
Cash and cash equivalents, beginning of year	14,532,142	632,300	6,147	370,892	15,541,481
Cash and cash equivalents, end of year	\$ 17,051,913	\$ 888,698	\$ 14,041	\$ 308,166	\$ 18,262,818
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ 2,432,323	\$ 286,596	\$ 7,264	\$ (63,292)	\$ 2,662,891
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Change in assets and liabilities:					
Receivables, net	5,599	(683)	793	-	5,709
Accounts payable and accrued expenses	40,335	(8,112)	(163)	-	32,060
Claims payable	15,736	(22,590)	-	-	(6,854)
Net cash provided (used) by operating activities	\$ 2,493,993	\$ 255,211	\$ 7,894	\$ (63,292)	\$ 2,693,806

COUNTY OF ALBEMARLE, VIRGINIA

Combining Statement of Fiduciary Net Assets

Private Purpose Trust Funds

At June 30, 2010

	H & L Graves Trust Fund	McIntire Trust Fund	Juanise Dyer Trust Fund	Weinstein Trust Fund	Crozet Crossings Trust Fund
Assets					
Cash and investments	\$ 2,926	\$ -	\$ 12,383	\$ 83,342	\$ 10,343
Investments with trustee	-	242,012	-	-	-
Accounts receivable	-	-	-	-	-
Total assets	<u>\$ 2,926</u>	<u>\$ 242,012</u>	<u>\$ 12,383</u>	<u>\$ 83,342</u>	<u>\$ 10,343</u>
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Assets	<u>\$ 2,926</u>	<u>\$ 242,012</u>	<u>\$ 12,383</u>	<u>\$ 83,342</u>	<u>\$ 10,343</u>

AHS Synthetic Turf Field Fund	WAHS Synthetic Turf Field Fund	MHS Synthetic Turf Field Fund	Proffer Trust Fund	Total
\$ 39,478	\$ 32,582	\$ 390	\$ 1,190,107	\$ 1,371,551
-	-	-	-	242,012
-	-	518	-	518
<u>\$ 39,478</u>	<u>\$ 32,582</u>	<u>\$ 908</u>	<u>\$ 1,190,107</u>	<u>\$ 1,614,081</u>
\$ 5,052	\$ 4,900	\$ -	\$ -	\$ 9,952
<u>\$ 5,052</u>	<u>\$ 4,900</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,952</u>
<u>\$ 34,426</u>	<u>\$ 27,682</u>	<u>\$ 908</u>	<u>\$ 1,190,107</u>	<u>\$ 1,604,129</u>

COUNTY OF ALBEMARLE, VIRGINIA

Combining Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Funds
Year Ended June 30, 2010

	H & L Graves Trust Fund	McIntire Trust Fund	Juanise Dyer Trust Fund	Weinstein Trust Fund
Additions				
Investment earnings (losses)	\$ 3	\$ 29,077	\$ 23	\$ 149
Donations	-	-	-	-
Miscellaneous	-	-	-	-
Proffers	-	-	-	-
Contribution from school board	-	-	-	-
Total additions	\$ 3	\$ 29,077	\$ 23	\$ 149
Deductions				
General	\$ -	\$ 14,959	\$ -	\$ -
Capital improvements	-	-	-	-
Contributions	-	-	-	-
Total deductions	\$ -	\$ 14,959	\$ -	\$ -
Change in net assets	\$ 3	\$ 14,118	\$ 23	\$ 149
Net assets, beginning of year	2,923	227,894	12,360	83,193
Net assets, end of year	\$ 2,926	\$ 242,012	\$ 12,383	\$ 83,342

<u>Crozet Crossings Trust Fund</u>	<u>AHS Synthetic Turf Field Fund</u>	<u>WAHS Synthetic Turf Field Fund</u>	<u>MHS Synthetic Turf Field Fund</u>	<u>Proffer Trust Fund</u>	<u>Total</u>
\$ 810	\$ -	\$ -	\$ -	\$ 2,084	\$ 32,146
-	35,001	15,187	908	-	51,096
-	-	-	-	-	-
-	-	-	-	137,957	137,957
-	-	-	-	-	-
<u>\$ 810</u>	<u>\$ 35,001</u>	<u>\$ 15,187</u>	<u>\$ 908</u>	<u>\$ 140,041</u>	<u>\$ 221,199</u>
\$ -	\$ 5,052	\$ 4,900	\$ 558,215	\$ -	\$ 583,126
-	-	-	-	88,507	88,507
<u>430,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>430,800</u>
<u>\$ 430,800</u>	<u>\$ 5,052</u>	<u>\$ 4,900</u>	<u>\$ 558,215</u>	<u>\$ 88,507</u>	<u>\$ 1,102,433</u>
\$ (429,990)	\$ 29,949	\$ 10,287	\$ (557,307)	\$ 51,534	\$ (881,234)
<u>440,333</u>	<u>4,477</u>	<u>17,395</u>	<u>558,215</u>	<u>1,138,573</u>	<u>2,485,363</u>
<u><u>\$ 10,343</u></u>	<u><u>\$ 34,426</u></u>	<u><u>\$ 27,682</u></u>	<u><u>\$ 908</u></u>	<u><u>\$ 1,190,107</u></u>	<u><u>\$ 1,604,129</u></u>

COUNTY OF ALBEMARLE, VIRGINIA

Combining Statement of Fiduciary Net Assets

Agency Funds

At June 30, 2010

	Special Welfare Fund	Hunting and Fishing License Fund	Drug Fund	Payroll Suspense Fund	Performance Bond Fund	HUD Family Self Sufficiency Fund
Assets						
Cash and investments	\$ 30,584	\$ 171	\$ 96,401	\$ 217,671	\$ 575,874	\$ 24,128
Accounts receivable	-	-	11	-	-	-
Total assets	<u>\$ 30,584</u>	<u>\$ 171</u>	<u>\$ 96,412</u>	<u>\$ 217,671</u>	<u>\$ 575,874</u>	<u>\$ 24,128</u>
Liabilities						
Accounts payable	\$ -	\$ 171	\$ -	\$ 217,333	\$ -	\$ -
Amounts held for others	<u>30,584</u>	<u>-</u>	<u>96,412</u>	<u>338</u>	<u>575,874</u>	<u>24,128</u>
Total liabilities	<u>\$ 30,584</u>	<u>\$ 171</u>	<u>\$ 96,412</u>	<u>\$ 217,671</u>	<u>\$ 575,874</u>	<u>\$ 24,128</u>

County Contribution Fund	Ace Contribution Fund	CATEC Fund	Appeal Bond Fund	Sheriff Reserve Fund	Belvedere/ Avemore Projects Fund	Natural Heritage Fund	Total
\$ 33,550	\$ 20,032	\$ -	\$ 1,000	\$ 5,500	\$ 3,864,227	\$ 1,085	\$ 4,870,223
-	-	168,874	-	-	-	-	168,885
<u>\$ 33,550</u>	<u>\$ 20,032</u>	<u>\$ 168,874</u>	<u>\$ 1,000</u>	<u>\$ 5,500</u>	<u>\$ 3,864,227</u>	<u>\$ 1,085</u>	<u>\$ 5,039,108</u>
\$ -	\$ -	\$ 168,874	\$ -	\$ -	\$ -	\$ -	\$ 386,378
<u>33,550</u>	<u>20,032</u>	<u>-</u>	<u>1,000</u>	<u>5,500</u>	<u>3,864,227</u>	<u>1,085</u>	<u>4,652,730</u>
<u>\$ 33,550</u>	<u>\$ 20,032</u>	<u>\$ 168,874</u>	<u>\$ 1,000</u>	<u>\$ 5,500</u>	<u>\$ 3,864,227</u>	<u>\$ 1,085</u>	<u>\$ 5,039,108</u>

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Statement of Changes in Assets and Liabilities

Agency Funds

Year Ended June 30, 2010

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Special Welfare Fund:				
Assets:				
Cash and investments	\$ <u>29,206</u>	\$ <u>30,584</u>	\$ <u>29,206</u>	\$ <u>30,584</u>
Liabilities:				
Amounts held for others	\$ <u>29,206</u>	\$ <u>30,584</u>	\$ <u>29,206</u>	\$ <u>30,584</u>
Hunting and Fishing License Fund:				
Assets:				
Cash and investments	\$ <u>171</u>	\$ <u>171</u>	\$ <u>171</u>	\$ <u>171</u>
Liabilities:				
Accounts payable	\$ <u>171</u>	\$ <u>171</u>	\$ <u>171</u>	\$ <u>171</u>
Drug Fund:				
Assets:				
Cash and investments	\$ <u>68,539</u>	\$ <u>44,241</u>	\$ <u>16,379</u>	\$ <u>96,401</u>
Accounts receivable	<u>-</u>	<u>11</u>	<u>-</u>	<u>11</u>
Total assets	\$ <u>68,539</u>	\$ <u>44,252</u>	\$ <u>16,379</u>	\$ <u>96,412</u>
Liabilities:				
Amounts held for others	\$ <u>68,539</u>	\$ <u>44,252</u>	\$ <u>16,379</u>	\$ <u>96,412</u>
Payroll Suspense Fund:				
Assets:				
Cash and investments	\$ <u>170,135</u>	\$ <u>217,671</u>	\$ <u>170,135</u>	\$ <u>217,671</u>
Liabilities:				
Accounts payable	\$ <u>169,797</u>	\$ <u>217,333</u>	\$ <u>169,797</u>	\$ <u>217,333</u>
Amounts held for others	<u>338</u>	<u>338</u>	<u>338</u>	<u>338</u>
Total liabilities	\$ <u>170,135</u>	\$ <u>217,671</u>	\$ <u>170,135</u>	\$ <u>217,671</u>
Performance Bond Fund:				
Assets:				
Cash and investments	\$ <u>918,292</u>	\$ <u>307,297</u>	\$ <u>649,715</u>	\$ <u>575,874</u>
Liabilities:				
Amounts held for others	\$ <u>918,292</u>	\$ <u>307,297</u>	\$ <u>649,715</u>	\$ <u>575,874</u>

Statement of Changes in Assets and Liabilities

Agency Funds

Year Ended June 30, 2010 (Continued)

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
HUD Family Self Sufficiency Fund:				
Assets:				
Cash and investments	\$ <u>24,128</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>24,128</u>
Liabilities:				
Amounts held for others	\$ <u>24,128</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>24,128</u>
County Contribution Fund:				
Assets:				
Cash and investments	\$ <u>25,958</u>	\$ <u>7,592</u>	\$ <u>-</u>	\$ <u>33,550</u>
Liabilities:				
Amounts held for others	\$ <u>25,958</u>	\$ <u>7,592</u>	\$ <u>-</u>	\$ <u>33,550</u>
Ace Contribution Fund:				
Assets:				
Cash and investments	\$ <u>20,032</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>20,032</u>
Liabilities:				
Amounts held for others	\$ <u>20,032</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>20,032</u>
CATEC:				
Assets:				
Cash and investments	\$ <u>-</u>	\$ <u>1,832,450</u>	\$ <u>1,832,450</u>	\$ <u>-</u>
Accounts receivable	<u>177,333</u>	<u>168,874</u>	<u>177,333</u>	<u>168,874</u>
Total assets	\$ <u>177,333</u>	\$ <u>2,001,324</u>	\$ <u>2,009,783</u>	\$ <u>168,874</u>
Liabilities:				
Accounts payable	\$ <u>177,333</u>	\$ <u>2,001,324</u>	\$ <u>2,009,783</u>	\$ <u>168,874</u>
Appeal Bond Fund:				
Assets:				
Cash and investments	\$ <u>1,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,000</u>
Liabilities:				
Amounts held for others	\$ <u>1,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,000</u>
Sheriff Reserve Fund:				
Assets:				
Cash and investments	\$ <u>2,000</u>	\$ <u>5,500</u>	\$ <u>2,000</u>	\$ <u>5,500</u>
Liabilities:				
Amounts held for others	\$ <u>2,000</u>	\$ <u>5,500</u>	\$ <u>2,000</u>	\$ <u>5,500</u>

Statement of Changes in Assets and Liabilities

Agency Funds

Year Ended June 30, 2010 (Continued)

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Belvedere/Avemore Projects Fund:				
Assets:				
Cash and investments	\$ <u>3,725,327</u>	\$ <u>138,900</u>	\$ <u>-</u>	\$ <u>3,864,227</u>
Liabilities:				
Amounts held for others	\$ <u>3,725,327</u>	\$ <u>138,900</u>	\$ <u>-</u>	\$ <u>3,864,227</u>
Natural Heritage Fund:				
Assets:				
Cash and investments	\$ <u>1,083</u>	\$ <u>2</u>	\$ <u>-</u>	\$ <u>1,085</u>
Liabilities:				
Amounts held for others	\$ <u>1,083</u>	\$ <u>2</u>	\$ <u>-</u>	\$ <u>1,085</u>
Totals--All Agency Funds:				
Assets:				
Cash and investments	\$ 4,985,871	\$ 2,584,408	\$ 2,700,056	\$ 4,870,223
Accounts receivable	<u>177,333</u>	<u>168,885</u>	<u>177,333</u>	<u>168,885</u>
Total assets	\$ <u>5,163,204</u>	\$ <u>2,753,293</u>	\$ <u>2,877,389</u>	\$ <u>5,039,108</u>
Liabilities:				
Accounts payable	\$ 347,301	\$ 2,218,828	\$ 2,179,751	\$ 386,378
Amounts held for others	<u>4,815,903</u>	<u>534,465</u>	<u>697,638</u>	<u>4,652,730</u>
Total liabilities	\$ <u>5,163,204</u>	\$ <u>2,753,293</u>	\$ <u>2,877,389</u>	\$ <u>5,039,108</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Governmental Funds - Budget and Actual
Year Ended June 30, 2010

Special Revenue Funds				
Courthouse Maintenance Fund				
	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
Revenues:				
Other local taxes	\$ -	\$ -	\$ -	\$ -
Revenue from use of money and property	-	-	-	-
Charges for services	33,765	33,765	43,883	10,118
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Intergovernmental:				
Revenue from the Commonwealth	-	-	-	-
Revenue from the Federal Government	-	-	-	-
Total revenues	\$ 33,765	\$ 33,765	\$ 43,883	\$ 10,118
Expenditures				
Current:				
Public works	\$ -	\$ -	\$ -	\$ -
Debt service:				
Principal payments	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital projects	-	-	-	-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	\$ -	\$ -
Other financing sources (uses):				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers (out)	(33,765)	(33,765)	(33,765)	-
Total other financing sources (uses)	\$ (33,765)	\$ (33,765)	\$ (33,765)	\$ -
Net changes in fund balances	\$ -	\$ -	\$ 10,118	\$ 10,118
Fund balances at beginning of year	-	-	20,953	20,953
Fund balances at end of year	\$ -	\$ -	\$ 31,071	\$ 31,071

Visitor Center Fund				Tourism Fund			
Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ 1,350,000	\$ 1,350,000	\$ 1,050,015	\$ (299,985)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ 1,350,000	\$ 1,350,000	\$ 1,050,015	\$ (299,985)
\$ -	\$ 99,578	\$ 99,542	\$ 36	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ 99,578	\$ 99,542	\$ 36	\$ -	\$ -	\$ -	\$ -
\$ -	\$ (99,578)	\$ (99,542)	\$ 36	\$ 1,350,000	\$ 1,350,000	\$ 1,050,015	\$ (299,985)
\$ -	\$ 194,557	\$ -	\$ (194,557)	\$ -	\$ -	\$ -	\$ -
-	(94,979)	(94,979)	-	(1,350,000)	(1,350,000)	(1,350,000)	-
\$ -	\$ 99,578	\$ (94,979)	\$ (194,557)	\$ (1,350,000)	\$ (1,350,000)	\$ (1,350,000)	\$ -
\$ -	\$ -	\$ (194,521)	\$ (194,521)	\$ -	\$ -	\$ (299,985)	\$ (299,985)
-	-	194,557	194,557	-	-	346,975	346,975
\$ -	\$ -	\$ 36	\$ 36	\$ -	\$ -	\$ 46,990	\$ 46,990

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Governmental Funds - Budget and Actual
Year Ended June 30, 2010 (Continued)

	Debt Service Funds			
	General Debt Service Fund			
	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
Revenues:				
Other local taxes	\$ -	\$ -	\$ -	\$ -
Revenue from use of money and property	-	-	2	2
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	283,178	283,178	36,514	(246,664)
Intergovernmental:	-	-	-	-
Revenue from the Commonwealth	-	-	-	-
Revenue from the Federal Government	-	-	-	-
Total revenues	\$ 283,178	\$ 283,178	\$ 36,516	\$ (246,662)
Expenditures				
Current:				
Public works	\$ -	\$ -	\$ -	\$ -
Debt service:				
Principal payments	1,504,977	1,504,977	2,029,226	(524,249)
Interest and fiscal charges	1,563,136	1,563,136	1,025,428	537,708
Capital projects	-	-	-	-
Total expenditures	\$ 3,068,113	\$ 3,068,113	\$ 3,054,654	\$ 13,459
Excess (deficiency) of revenues over expenditures	\$ (2,784,935)	\$ (2,784,935)	\$ (3,018,138)	\$ (233,203)
Other financing sources (uses):				
Transfers in	\$ 2,784,935	\$ 2,784,935	\$ 2,621,437	\$ (163,498)
Transfers (out)	-	-	-	-
Total other financing sources (uses)	\$ 2,784,935	\$ 2,784,935	\$ 2,621,437	\$ (163,498)
Net changes in fund balances	\$ -	\$ -	\$ (396,701)	\$ (396,701)
Fund balances at beginning of year	-	-	2,591,470	2,591,470
Fund balances at end of year	\$ -	\$ -	\$ 2,194,769	\$ 2,194,769

				Capital Projects Fund			
School Debt Service Fund				Stormwater Control			
Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
217,938	217,938	217,938	-	-	-	6,033	6,033
-	-	-	-	-	-	53,873	53,873
-	-	144,070	144,070	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	53,200	-	(53,200)
<u>\$ 217,938</u>	<u>\$ 217,938</u>	<u>\$ 362,008</u>	<u>\$ 144,070</u>	<u>\$ -</u>	<u>\$ 53,200</u>	<u>\$ 59,906</u>	<u>\$ 6,706</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9,525,000	9,525,000	9,525,000	-	-	-	-	-
5,649,802	5,649,802	5,639,452	10,350	-	-	-	-
-	-	-	-	250,000	2,418,505	391,647	2,026,858
<u>\$ 15,174,802</u>	<u>\$ 15,174,802</u>	<u>\$ 15,164,452</u>	<u>\$ 10,350</u>	<u>\$ 250,000</u>	<u>\$ 2,418,505</u>	<u>\$ 391,647</u>	<u>\$ 2,026,858</u>
<u>\$ (14,956,864)</u>	<u>\$ (14,956,864)</u>	<u>\$ (14,802,444)</u>	<u>\$ 154,420</u>	<u>\$ (250,000)</u>	<u>\$ (2,365,305)</u>	<u>\$ (331,741)</u>	<u>\$ 2,033,564</u>
\$ 14,956,864	\$ 14,956,864	\$ 14,802,444	\$ (154,420)	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
-	-	-	-	-	(40,000)	(27,116)	12,884
<u>\$ 14,956,864</u>	<u>\$ 14,956,864</u>	<u>\$ 14,802,444</u>	<u>\$ (154,420)</u>	<u>\$ 250,000</u>	<u>\$ 210,000</u>	<u>\$ 222,884</u>	<u>\$ 12,884</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,155,305)	\$ (108,857)	\$ 2,046,448
-	-	730	730	-	2,155,305	3,575,205	1,419,900
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 730</u>	<u>\$ 730</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,466,348</u>	<u>\$ 3,466,348</u>

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Component Unit School Board
Combining Balance Sheet
At June 30, 2010

	<u>School Operating Fund</u>	<u>School Food Services Fund</u>	<u>School Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Assets				
Cash and investments	\$ 21,987,708	\$ 840,796	\$ 1,543,346	\$ 24,371,850
Accounts receivable	991,464	7,699	-	999,163
Due from other governments	5,643,812	74,741	700,000	6,418,553
Prepaid items	25,643	-	20,250	45,893
Inventories	372,404	77,430	-	449,834
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u>29,021,031</u>	\$ <u>1,000,666</u>	\$ <u>2,263,596</u>	\$ <u>32,285,293</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 15,716,043	\$ 293,402	\$ 1,569,346	\$ 17,578,791
Deferred revenue	81,811	-	-	81,811
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	\$ <u>15,797,854</u>	\$ <u>293,402</u>	\$ <u>1,569,346</u>	\$ <u>17,660,602</u>
Fund Balance				
Reserved for:				
Prepaid items	\$ 25,643	\$ -	\$ -	\$ 25,643
Inventories	372,404	77,430	-	449,834
Unreserved:				
Designated:				
School programs	4,646,763	-	-	4,646,763
Capital projects	-	-	694,250	694,250
Unreserved/undesignated	8,178,367	629,834	-	8,808,201
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balance	\$ <u>13,223,177</u>	\$ <u>707,264</u>	\$ <u>694,250</u>	\$ <u>14,624,691</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balance	\$ <u>29,021,031</u>	\$ <u>1,000,666</u>	\$ <u>2,263,596</u>	\$ <u>32,285,293</u>

Component Unit School Board

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets

At June 30, 2010

Total fund balances for governmental funds	\$ 14,624,691
Total net assets reported for governmental activities in the statement of net assets is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:	
Land and land improvements	\$ 6,096,992
Buildings and improvements, net of depreciation	133,639,514
Furniture, equipment and vehicles, net of depreciation	5,402,018
School Board capital assets in primary government, net of depreciation	<u>(74,488,723)</u>
Total capital assets	70,649,801
School bond proceeds for which capital assets have not been constructed or acquired. This adjustment is required to properly report actual debt used to construct or acquire capital assets.	
	(1,367,718)
Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Balances of long-term liabilities affecting net assets consist of the following:	
Accrued leave	(2,122,018)
Other post employment benefits	<u>(2,184,000)</u>
Total net assets of governmental activities (Exhibit 1)	<u>\$ 79,600,756</u>

Component Unit School Board

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2010

	School Operating Fund	School Food Services Fund	School Capital Projects Fund	Total Governmental Funds
Revenues				
Use of money and property	\$ 779,588	\$ 1,138	\$ 18,482	\$ 799,208
Charges for services	3,276,774	2,695,356	-	5,972,130
Miscellaneous	2,745,283	-	35	2,745,318
Recovered costs	942,545	-	100	942,645
Intergovernmental:				
Appropriation from primary government	97,372,714	-	1,856,935	99,229,649
Revenue from the Commonwealth	41,814,556	73,562	700,000	42,588,118
Revenue from the Federal Government	12,252,636	1,964,298	-	14,216,934
Total revenues	\$ 159,184,096	\$ 4,734,354	\$ 2,575,552	\$ 166,494,002
Expenditures				
Current:				
Education:				
Instruction	\$ 104,932,058	\$ -	\$ -	\$ 104,932,058
Administration, attendance and health	9,274,082	-	-	9,274,082
Transportation	8,755,287	-	-	8,755,287
Special Programs	16,590,651	-	-	16,590,651
Facilities operations	13,005,798	-	-	13,005,798
Building improvements	118,668	-	-	118,668
Technology	2,461,075	-	-	2,461,075
Contribution to primary government	1,569,148	-	-	1,569,148
School food services	-	4,490,426	-	4,490,426
Capital projects	-	-	10,813,362	10,813,362
Total expenditures	\$ 156,706,767	\$ 4,490,426	\$ 10,813,362	\$ 172,010,555
Excess (deficiency) of revenues over expenditures	\$ 2,477,329	\$ 243,928	\$ (8,237,810)	\$ (5,516,553)
Other financing sources (uses)				
Transfers in	\$ 213,568	\$ -	\$ 550,000	\$ 763,568
Transfers (out)	(550,000)	(75,000)	(138,568)	(763,568)
Total other financing sources (uses)	\$ (336,432)	\$ (75,000)	\$ 411,432	\$ -
Net change in fund balance	\$ 2,140,897	\$ 168,928	\$ (7,826,378)	\$ (5,516,553)
Fund balance, beginning of year	11,082,280	538,336	8,520,628	20,141,244
Fund balance, end of year	\$ 13,223,177	\$ 707,264	\$ 694,250	\$ 14,624,691

Component Unit School Board
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds to the Statement of Activities
 Year Ended June 30, 2010

Net change in fund balances - total governmental funds \$ (5,516,553)

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. The amount by which capital outlays exceeded depreciation in the current period is as follows:

Capital outlay	9,610,025
Depreciation expense	(8,178,240)

School Board capital assets are jointly owned by the County and School Board. The County share of School Board capital assets is in proportion to the debt owed on such by the County. The transfers to the School Board are affected by the relationship of the debt to assets on a year to year basis. The net transfer resulting from this relationship decreased the transfers to the School Board.

1,309,063

Change in School bond proceeds for which capital assets have not been constructed or acquired. 7,464,797

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes of the following:

Other post employment benefits	262,658
Compensated absences	<u>393</u>

Change in net assets of governmental activities (Exhibit 2) \$ 4,952,143

Component Unit School Board
School Funds
Budgetary Comparison Schedule
Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
School Operating Fund				
Revenues				
Use of money and property	\$ 526,010	\$ 526,010	\$ 779,588	\$ 253,578
Charges for services	3,506,441	3,506,441	3,276,774	(229,667)
Miscellaneous	2,098,630	2,384,581	2,745,283	360,702
Recovered costs	473,808	497,808	942,545	444,737
Intergovernmental:				
Appropriation from primary government	100,150,577	100,480,995	97,372,714	(3,108,281)
Revenue from the Commonwealth	43,676,897	46,174,062	41,814,556	(4,359,506)
Revenue from the Federal Government	5,603,516	10,068,772	12,252,636	2,183,864
Total revenues	\$ 156,035,879	\$ 163,638,669	\$ 159,184,096	\$ (4,454,573)
Expenditures				
Current:				
Education:				
Instruction	\$ 109,256,919	\$ 108,734,700	\$ 104,932,058	\$ 3,802,642
Administration, attendance and health	8,661,624	8,978,849	9,274,082	(295,233)
Transportation	8,717,314	8,930,123	8,755,287	174,836
Special Programs	11,816,672	19,228,809	16,590,651	2,638,158
Facilities operations	14,711,969	14,756,356	13,005,798	1,750,558
Building improvements	107,600	103,350	118,668	(15,318)
Technology	3,173,993	3,173,993	2,461,075	712,918
Contribution to primary government	804,428	1,542,751	1,569,148	(26,397)
Total expenditures	\$ 157,250,519	\$ 165,448,931	\$ 156,706,767	\$ 8,742,164
Excess (deficiency) of revenues over expenditures	\$ (1,214,640)	\$ (1,810,262)	\$ 2,477,329	\$ 4,287,591
Other financing sources (uses)				
Transfers in	\$ 1,214,640	\$ 2,541,244	\$ 213,568	\$ (2,327,676)
Transfers (out)	-	(550,000)	(550,000)	-
Total other financing sources (uses)	\$ 1,214,640	\$ 1,991,244	\$ (336,432)	\$ (2,327,676)
Net change in fund balance	\$ -	\$ 180,982	\$ 2,140,897	\$ 1,959,915
Fund balance, beginning of year	-	(180,982)	11,082,280	11,263,262
Fund balance, end of year	\$ -	\$ -	\$ 13,223,177	\$ 13,223,177
School Food Services Fund				
Revenues				
Use of money and property	\$ 10,125	\$ 10,125	\$ 1,138	\$ (8,987)
Charges for services	3,205,081	3,205,081	2,695,356	(509,725)
Intergovernmental:				
Revenue from the Commonwealth	60,784	60,784	73,562	12,778
Revenue from the Federal Government	1,520,923	1,520,923	1,964,298	443,375
Total revenues	\$ 4,796,913	\$ 4,796,913	\$ 4,734,354	\$ (62,559)

Component Unit School Board
School Funds
Budgetary Comparison Schedule
Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
School Food Services Fund (continued)				
Expenditures				
Current:				
Education:				
Food service operations	\$ 4,721,913	\$ 4,721,913	\$ 4,490,426	\$ 231,487
Total expenditures	\$ 4,721,913	\$ 4,721,913	\$ 4,490,426	\$ 231,487
Excess (deficiency) of revenues over expenditures	\$ 75,000	\$ 75,000	\$ 243,928	\$ 168,928
Other financing sources (uses)				
Transfers (out)	\$ (75,000)	\$ (75,000)	\$ (75,000)	\$ -
Net change in fund balance	\$ -	\$ -	\$ 168,928	\$ 168,928
Fund balance, beginning of year	-	-	538,336	538,336
Fund balance, end of year	\$ -	\$ -	\$ 707,264	\$ 707,264
School Capital Projects Fund				
Revenues				
Use of money and property	\$ 100,000	\$ 100,000	\$ 18,482	\$ (81,518)
Miscellaneous	-	145	35	(110)
Recovered costs	-	-	100	100
Intergovernmental:				
Appropriation from primary government	7,022,000	14,654,521	1,856,935	(12,797,586)
Revenue from the Commonwealth	700,000	700,000	700,000	-
Total revenues	\$ 7,822,000	\$ 15,454,666	\$ 2,575,552	\$ (12,879,114)
Expenditures				
School capital projects	7,683,000	15,315,666	10,813,362	4,502,304
Excess (deficiency) of revenues over expenditures	\$ 139,000	\$ 139,000	\$ (8,237,810)	\$ (8,376,810)
Other financing sources (uses)				
Transfers in	\$ -	\$ -	\$ 550,000	\$ 550,000
Transfers (out)	(139,000)	(139,000)	(138,568)	432
Total other financing sources (uses)	\$ (139,000)	\$ (139,000)	\$ 411,432	\$ 550,432
Net change in fund balance	\$ -	\$ -	\$ (7,826,378)	\$ (7,826,378)
Fund balance, beginning of year	-	-	8,520,628	8,520,628
Fund balance, end of year	\$ -	\$ -	\$ 694,250	\$ 694,250

The budgetary data presented above is on the modified accrual basis of accounting which is in accordance with generally accepted accounting principles.

Statistical Section

Contents

Tables

Financial Trends

These tables contain trend information to help the reader understand how the the County's financial performance and well-being have changed over time.

1 - 5

Revenue Capacity

These tables contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.

6 - 9

Debt Capacity

These tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue debt in the future.

10 - 12

Demographic and Economic Information

These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

13 - 14

Operating Information

These tables contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

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Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in fiscal year 2002; schedules presenting government-wide information include information beginning in that year.

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COUNTY OF ALBEMARLE, VIRGINIA

Table 1

Net Assets by Component

Last Nine Fiscal Years

(full accrual basis of accounting)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities									
Invested in capital assets, net of related debt	\$ 2,350,571	\$ 5,459,023	\$ 7,876,326	\$ 7,989,436	\$ 7,756,343	\$ 10,508,151	\$ 17,271,201	\$ 3,791,630	\$ 13,677,146
Unrestricted	40,822,493	44,530,557	46,049,765	53,372,954	67,524,755	71,036,209	68,831,778	76,990,400	73,771,675
Total governmental activities net assets	\$ 43,173,064	\$ 49,989,580	\$ 53,926,091	\$ 61,362,390	\$ 75,281,098	\$ 81,544,360	\$ 86,102,979	\$ 80,782,030	\$ 87,448,821
Component Unit - School Board									
Invested in capital assets, net of related debt	\$ 62,768,532	\$ 60,740,476	\$ 57,216,611	\$ 60,330,592	\$ 62,301,866	\$ 65,643,044	\$ 67,911,522	\$ 67,908,953	\$ 70,649,801
Unrestricted	4,404,895	4,289,448	7,892,776	9,801,931	8,319,667	9,887,909	10,283,302	6,739,660	8,950,955
Total component unit activities net assets	\$ 67,173,427	\$ 65,029,924	\$ 65,109,387	\$ 70,132,523	\$ 70,621,533	\$ 75,530,953	\$ 78,194,824	\$ 74,648,613	\$ 79,600,756

Note: Full accrual-basis financial information is available beginning fiscal year 2002 with Albemarle County's implementation of GASB 34.

COUNTY OF ALBEMARLE, VIRGINIA

Table 2

Changes in Net Assets

Last Nine Fiscal Years

(full accrual basis of accounting)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Expenses									
Governmental activities:									
General government administration	\$ 7,609,744	\$ 7,899,554	\$ 8,132,238	\$ 12,319,083	\$ 9,140,353	\$ 9,755,386	\$ 13,473,999	\$ 11,995,093	\$ 9,701,766
Judicial administration	2,789,137	3,178,415	3,258,244	2,929,281	3,398,347	3,913,050	5,172,489	8,555,124	4,817,482
Public safety	15,718,469	18,022,164	22,629,440	19,763,162	25,232,013	31,228,430	31,805,294	31,875,860	31,947,939
Public works	3,699,912	4,172,779	5,204,436	2,461,385	3,178,249	4,084,447	7,348,478	10,262,008	6,348,136
Health and welfare	15,480,010	15,393,448	15,420,194	17,207,907	19,332,236	20,787,939	22,348,922	22,623,545	22,711,257
Education	67,754,666	67,303,304	79,849,425	83,475,255	91,153,455	100,518,050	104,476,013	109,314,893	108,681,711
Parks, recreation and cultural	4,567,054	5,392,060	5,750,397	5,042,137	5,536,680	6,602,130	6,724,890	7,753,946	7,477,447
Community development	14,563,492	13,577,113	15,554,887	17,297,779	19,461,447	21,825,809	25,365,417	25,515,608	30,103,606
Interest on long-term debt	3,924,743	4,572,113	4,730,758	5,076,267	5,012,540	5,111,066	5,206,440	5,670,737	6,037,722
Total governmental activities expenses	\$ 136,107,227	\$ 139,510,950	\$ 160,530,019	\$ 165,572,256	\$ 181,445,320	\$ 203,826,307	\$ 221,921,942	\$ 233,566,814	\$ 227,827,066
Component unit activities:									
Albemarle County Public Schools	\$ 105,502,307	\$ 110,241,366	\$ 118,073,650	\$ 125,477,976	\$ 141,983,331	\$ 154,947,811	\$ 163,787,439	\$ 171,685,340	\$ 170,027,801
Total component unit activities expenses	\$ 105,502,307	\$ 110,241,366	\$ 118,073,650	\$ 125,477,976	\$ 141,983,331	\$ 154,947,811	\$ 163,787,439	\$ 171,685,340	\$ 170,027,801
Program Revenues									
Governmental activities:									
Charges for services:									
General government administration	\$ 342,123	\$ 285,382	\$ 231,776	\$ 293,598	\$ 20,601	\$ 14,398	\$ 296,899	\$ 327,307	\$ 66,288
Judicial administration	516,993	624,375	664,415	741,021	844,012	767,257	1,148,419	1,163,869	888,120
Public safety	1,408,219	2,015,349	2,039,252	721,319	1,195,111	1,460,803	637,758	477,246	1,148,738
Public works	143,964	149,165	60,282	1,161,680	1,473,921	116,888	91,163	59,982	20,345
Health and welfare	-	31,100	36,964	30,150	-	-	-	-	-
Education	-	-	-	-	12,000	-	-	-	-
Parks, recreation and cultural	259,309	243,808	248,991	263,401	287,448	308,022	329,600	351,174	346,209
Community development	14,152	5,235	9,595	159,897	14,694	1,371,704	1,229,831	1,362,863	1,451,072
Operating grants and contributions	16,470,283	16,826,848	17,278,857	18,292,882	19,689,165	19,698,269	20,613,485	19,701,188	20,764,266
Capital grants and contributions	180,768	126,557	267,078	8,296	71,104	-	587,914	470,606	207,078
Total governmental activities program revenues	\$ 19,335,811	\$ 20,307,819	\$ 20,837,210	\$ 21,672,244	\$ 23,608,056	\$ 23,737,341	\$ 24,935,069	\$ 23,914,235	\$ 24,892,116
Component unit activities:									
Albemarle County Public Schools:									
Charges for services	\$ 4,717,109	\$ 4,827,876	\$ 4,985,211	\$ 5,381,833	\$ 5,740,084	\$ 5,755,930	\$ 6,085,727	\$ 6,000,252	\$ 5,972,130
Operating grants and contributions	34,290,014	36,298,040	39,209,484	44,064,661	46,583,752	50,702,932	51,404,078	53,022,699	56,105,052
Capital grants and contributions	1,067,092	871,705	897,783	900,607	875,221	1,028,689	847,098	895,867	700,000
Total component unit activities program revenues	\$ 40,074,215	\$ 41,997,621	\$ 45,092,478	\$ 50,347,101	\$ 53,199,057	\$ 57,487,551	\$ 58,336,903	\$ 59,918,818	\$ 62,777,182
Net (expense) / revenue									
Governmental activities	\$ (116,771,416)	\$ (119,203,131)	\$ (139,692,809)	\$ (143,900,012)	\$ (157,837,264)	\$ (180,088,966)	\$ (196,986,873)	\$ (209,652,579)	\$ (202,934,950)
Component unit activities	\$ (65,428,092)	\$ (68,243,745)	\$ (72,981,172)	\$ (75,130,875)	\$ (88,784,274)	\$ (97,460,260)	\$ (105,450,536)	\$ (111,766,522)	\$ (107,250,619)

COUNTY OF ALBEMARLE, VIRGINIA

Table 2

Changes in Net Assets

Last Nine Fiscal Years

(full accrual basis of accounting)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Taxes:									
General property taxes, real and personal	\$ 68,868,584	\$ 76,052,503	\$ 84,349,826	\$ 96,257,563	\$ 107,171,539	\$ 118,295,816	\$ 133,597,874	\$ 142,649,142	\$ 140,241,324
Local sales and use taxes	-	-	11,234,087	12,059,884	13,310,878	13,425,924	13,143,851	11,974,379	11,622,874
Business License Tax	-	-	7,717,420	7,032,311	9,463,879	9,821,591	10,515,309	9,608,468	9,367,013
Consumer utility taxes	-	-	6,769,416	6,993,297	7,291,340	6,117,754	9,389,438	9,051,996	9,181,669
Meals tax	-	-	4,098,832	4,554,989	5,049,882	5,438,399	6,059,180	5,446,576	5,389,527
Motor vehicle licenses taxes	-	-	2,058,847	2,092,304	2,110,732	2,293,001	3,284,383	3,534,531	3,491,779
Other local taxes	32,448,475	33,782,441	4,802,498	6,852,030	7,130,716	8,777,410	5,030,137	4,644,738	4,436,469
Unrestricted grants and contributions	14,635,827	14,760,835	14,877,134	15,668,486	16,755,870	16,275,000	15,730,484	15,603,533	15,556,934
Fines and forfeits	226,894	-	-	-	-	-	-	-	-
Unrestricted revenues from use of money and property	96,157	721,570	1,041,538	1,757,424	3,149,905	3,989,448	3,284,263	1,563,093	846,649
Investment Earnings	1,206,556	438,509	-	-	-	-	-	-	-
Miscellaneous	666,689	263,791	277,330	68,023	321,231	1,917,885	1,292,537	469,286	937,284
Total governmental activities	\$ 118,149,182	\$ 126,019,649	\$ 137,226,928	\$ 153,336,311	\$ 171,755,972	\$ 186,352,228	\$ 201,327,456	\$ 204,545,742	\$ 201,071,522
Component Unit - School Board activities:									
Payment from COA: Education	\$ 65,908,556	\$ 65,330,729	\$ 77,958,094	\$ 79,665,814	\$ 86,772,729	\$ 100,495,990	\$ 104,452,538	\$ 109,291,418	\$ 108,658,236
Unrestricted revenues from use of money and property	400,000	464,051	593,110	898,312	685,750	1,189,784	1,048,805	873,647	799,208
Investment Earnings	287,334	91,754	-	-	-	-	-	-	-
Miscellaneous	359,858	213,708	911,823	632,146	1,814,805	683,906	2,613,064	3,144,786	2,745,318
Total component unit activities	\$ 66,955,748	\$ 66,100,242	\$ 79,463,027	\$ 81,196,272	\$ 89,273,284	\$ 102,369,680	\$ 108,114,407	\$ 113,309,851	\$ 112,202,762
Change in Net Assets									
Governmental activities	\$ 1,377,766	\$ 6,816,518	\$ (2,465,881)	\$ 9,436,299	\$ 13,918,708	\$ 6,263,262	\$ 4,340,582	\$ (5,106,838)	\$ (1,863,429)
Component Unit activities	1,527,656	(2,143,503)	6,481,855	6,065,397	489,010	4,909,420	2,663,871	1,543,329	4,952,143
Total reporting entity	\$ 2,905,422	\$ 4,673,015	\$ 4,015,974	\$ 15,501,696	\$ 14,407,718	\$ 11,172,682	\$ 7,004,453	\$ (3,563,509)	\$ 3,088,714

Note: Full accrual-basis financial information is available beginning fiscal year 2002 with Albemarle County's implementation of GASB 34.

COUNTY OF ALBEMARLE, VIRGINIA

Table 3

Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(full accrual basis of accounting)
(amounts expressed in Thousands)

Fiscal Year	General Property Tax	Local sales and use Tax	Meals Tax	Motor				Bank Franchise Tax	Record-ation and Wills Tax	Business License Tax	Utility Company		Seller's		Total
				Consumer Utility Tax	Vehicle License Tax						Tax	Tax	Tax	Tax	
2001	\$ 64,966	\$ 9,558	\$ 3,642	\$ 5,941	\$ 1,696	\$ 267	\$ 682	\$ 7,121	\$ 513	\$ 272	\$ 2,254			\$ 96,912	
2002	68,869	9,836	3,686	6,073	1,787	347	843	6,849	500	300	2,227			101,317	
2003	76,053	10,305	3,929	6,399	1,959	277	1,065	6,558	457	355	2,478			109,835	
2004	84,350	11,235	4,099	6,769	2,059	249	1,245	7,717	307	466	2,535			121,031	
2005	96,258	12,060	4,555	6,993	2,092	271	2,024	7,032	295	557	3,705			135,842	
2006	107,172	13,311	5,050	7,291	2,111	423	2,647	9,464	216	692	3,152			151,529	
2007	118,073	13,426	5,438	6,118	2,293	522	2,337	9,596	226	564	5,354			163,947	
2008	133,598	13,144	6,059	9,389	3,284	526	1,757	10,515	223	391	2,134			181,020	
2009	142,649	11,974	5,447	9,052	3,535	605	1,346	9,608	218	358	2,118			186,910	
2010	140,241	11,623	5,390	9,182	3,492	745	1,354	9,367	217	378	1,742			183,731	

COUNTY OF ALBEMARLE, VIRGINIA

Table 4

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General fund										
Reserved	\$ 50,586	\$ 54,600	\$ 58,624	\$ 103,082	\$ 79,634	\$ 68,505	\$ 62,697	\$ 60,143	\$ 46,984	\$ 63,614
Unreserved	20,280,255	17,641,500	18,186,784	21,592,840	21,170,165	26,777,531	19,980,629	20,425,848	19,845,193	24,556,132
Total general fund	\$ 20,330,841	\$ 17,696,100	\$ 18,245,408	\$ 21,695,922	\$ 21,249,799	\$ 26,846,036	\$ 20,043,326	\$ 20,485,991	\$ 19,892,177	\$ 24,619,746
All other governmental funds										
Reserved										
Debt service funds	\$ -	\$ 1,540,674	\$ 2,923,459	\$ 4,682,756	\$ 3,493,340	\$ 3,512,705	\$ 4,115,588	\$ 2,905,131	\$ 2,592,200	\$ 2,195,499
Long term advances-										
Capital projects funds	1,930,544	1,947,851	1,835,677	1,460,476	-	-	-	-	-	-
Unreserved										
Designated										
Subsequent year's expenditures:	392,246	2,476,384	-	-	-	-	-	-	-	-
Special revenue funds	-	-	2,330,012	528,210	463,907	254,568	402,257	2,931,104	3,153,769	2,997,406
Debt service funds	1,847,754	-	-	-	-	-	-	-	-	-
Capital projects funds	8,729,089	16,320,832	27,937,654	30,605,105	30,891,451	30,433,281	33,874,290	34,348,827	35,570,507	24,803,578
Undesignated										
Federal/state grant funds	-	521,197	1,079,300	1,125,173	1,350,718	913,412	1,736,611	-	-	-
Special revenue funds	5,162,974	-	-	-	-	-	-	-	-	-
Other governmental funds	-	-	-	-	57,785	-	-	-	-	-
Total all other governmental funds	\$ 18,062,607	\$ 22,806,938	\$ 36,106,102	\$ 38,401,720	\$ 36,257,201	\$ 35,113,966	\$ 40,128,746	\$ 40,185,062	\$ 41,316,476	\$ 29,996,483

COUNTY OF ALBEMARLE, VIRGINIA

Table 5

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
General property taxes	\$ 64,966,150	\$ 69,503,975	\$ 75,809,882	\$ 84,779,601	\$ 94,192,241	\$ 107,248,620	\$ 118,073,019	\$ 132,709,205	\$ 139,304,701	\$ 138,373,746
Other local taxes	31,945,410	32,448,475	33,782,441	36,681,100	39,584,815	44,357,427	45,874,079	47,422,298	44,260,688	43,489,331
Permits, privilege fees and regulatory licenses	1,140,367	1,240,956	1,315,973	1,388,336	1,351,264	1,467,621	1,348,609	1,266,810	1,434,988	1,538,833
Fines and forfeitures	207,881	226,894	228,064	295,096	280,386	303,707	494,194	441,600	547,798	476,500
Revenue from use of money and property	1,877,180	1,201,831	1,124,191	1,011,658	1,757,424	2,831,809	3,447,049	2,787,863	1,360,326	819,118
Charges for services	1,259,335	1,443,804	1,810,377	1,607,843	1,739,416	2,076,459	2,196,269	2,025,260	1,759,655	1,905,439
Miscellaneous	1,231,891	666,689	263,791	277,330	92,777	321,231	368,385	1,292,537	469,286	504,648
Recovered costs	1,277,790	1,770,335	2,246,685	1,910,031	1,697,914	2,857,739	2,479,160	623,070	398,641	399,889
Intergovernmental:										
Contribution from School Board	-	-	-	-	-	-	-	1,549,542	1,581,723	1,569,148
Contribution from Crozet Crossings Trust	-	-	-	-	-	-	-	-	-	430,800
Contribution from other entities	-	-	-	-	-	-	-	-	-	1,836
Commonwealth	20,249,390	23,854,669	23,976,624	24,082,358	26,139,620	27,538,021	27,308,635	28,883,232	28,129,106	27,808,950
Federal	6,464,618	7,432,209	7,737,616	8,340,711	7,830,044	8,978,118	8,664,634	8,048,651	7,646,221	8,719,328
Total revenues	\$ 130,620,012	\$ 139,789,837	\$ 148,295,644	\$ 160,374,064	\$ 174,665,901	\$ 197,980,752	\$ 210,254,033	\$ 227,050,068	\$ 226,893,133	\$ 226,037,566
Expenditures										
General government administration	\$ 6,533,463	\$ 7,023,714	\$ 7,046,659	\$ 7,361,773	\$ 8,506,348	\$ 9,042,620	\$ 9,901,023	\$ 10,455,020	\$ 10,952,609	\$ 10,296,021
Judicial administration	2,685,900	2,686,663	2,887,108	2,715,955	2,976,769	3,246,584	3,527,798	3,788,843	3,730,878	4,557,996
Public safety	15,525,811	15,634,642	17,370,544	18,531,893	19,799,481	24,127,796	27,320,551	29,688,777	29,270,378	28,806,876
Public works	2,801,696	2,822,578	3,140,146	3,901,613	2,735,409	3,065,474	3,643,040	4,509,755	4,777,155	4,447,556
Health and welfare	13,783,033	16,410,516	16,412,425	16,528,022	18,511,080	19,835,619	20,299,219	22,245,602	22,558,259	22,284,455
Education - local community college	10,250	22,060	22,060	22,060	22,060	22,060	22,060	23,475	23,475	23,475
Education - public school system	-	83,046,054	73,570,779	76,688,806	85,139,231	89,091,342	106,732,246	109,404,047	127,316,033	99,229,649
Parks, recreation and cultural	3,499,056	4,248,468	4,365,255	4,394,510	4,847,788	5,180,150	5,683,544	6,027,268	6,195,812	6,188,316
Community development	11,664,796	12,651,296	13,466,710	14,841,912	17,065,453	18,755,966	19,915,541	23,544,066	24,086,051	28,708,370
Capital outlay	5,864,366	6,486,425	12,316,768	11,621,390	13,548,191	13,462,495	12,360,818	14,219,764	16,381,449	9,868,170
Debt service										
Principal	46,505	5,730,300	6,723,740	7,422,258	8,074,521	8,400,199	8,732,263	9,320,036	9,876,961	11,554,226
Interest and other fiscal charges	21,229	3,450,294	4,550,555	4,808,073	5,018,321	5,150,604	5,046,408	5,393,921	5,517,350	6,664,880
Total expenditures	\$ 62,436,105	\$ 160,213,010	\$ 161,872,749	\$ 168,838,265	\$ 186,244,652	\$ 199,380,909	\$ 223,184,511	\$ 238,620,574	\$ 260,686,410	\$ 232,629,990
Excess of revenues over (under) expenditures	\$ 68,183,907	\$ (20,423,173)	\$ (13,577,105)	\$ (8,464,201)	\$ (11,578,751)	\$ (1,400,157)	\$ (12,930,478)	\$ (11,570,506)	\$ (33,793,277)	\$ (6,592,424)
Other financing sources (uses)										
Transfers in	\$ 13,726,927	\$ 26,178,315	\$ 20,845,312	\$ 25,851,335	\$ 28,830,732	\$ 30,048,459	\$ 36,409,841	\$ 30,105,759	\$ 28,616,759	\$ 23,343,663
Transfers out	(13,726,927)	(26,178,315)	(20,845,312)	(25,851,335)	(29,473,250)	(29,987,574)	(36,603,641)	(30,187,959)	(28,662,759)	(23,343,663)
Transfers in (from component unit)	679,596	-	-	-	-	-	-	-	-	-
Transfers out (to component unit)	(65,523,555)	-	-	-	-	-	-	-	-	-
Bonds issued	-	20,330,000	27,090,000	6,760,000	8,950,000	7,380,000	15,020,000	11,325,000	34,886,021	-
Premium on bonds issued	-	426,771	335,577	450,333	680,627	412,274	446,818	608,650	725,039	-
Capital leases	-	-	-	3,549,700	-	-	-	-	-	-
Capital leases - participating jurisdictions	-	-	-	3,450,300	-	-	-	-	-	-
Total other financing sources (uses)	\$ (64,843,959)	\$ 20,756,771	\$ 27,425,577	\$ 14,210,333	\$ 8,988,109	\$ 7,853,159	\$ 15,273,018	\$ 11,851,450	\$ 35,565,060	\$ -
Net change in fund balances	\$ 3,339,948	\$ 333,598	\$ 13,848,472	\$ 5,746,132	\$ (2,590,642)	\$ 6,453,002	\$ 2,342,540	\$ 280,944	\$ 1,771,783	\$ (6,592,424)
Debt service as a percentage of noncapital expenditures	0.11%	5.73%	6.96%	7.24%	7.03%	6.80%	6.17%	6.33%	6.21%	8.29%

COUNTY OF ALBEMARLE, VIRGINIA

Table 6

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year	Real Estate (4)	Direct Rate		Personal Property (2,3)	Direct Rate		Public Service	Total Taxable Assessed Value	Estimated Actual Taxable Value (1)	Assessed Value as a Percentage of Actual Value
		Real Property	Real Property		Personal Property	Personal Property				
2001	\$ 6,325,140	\$.76/.76	\$.76/.76	\$ 637,285	\$ 4.28/4.28	\$ 4.28/4.28	\$ 255,094	\$ 7,217,519	\$ 7,286,975	99.05%
2002	6,907,408	.76/.76	.76/.76	650,844	4.28/4.28	4.28/4.28	257,912	7,816,164	8,455,641	92.44%
2003	7,814,136	.76/.76	.76/.76	667,234	4.28/4.28	4.28/4.28	218,342	8,699,712	9,422,883	92.33%
2004	8,774,918	.76/.76	.76/.76	725,341	4.28/4.28	4.28/4.28	261,328	9,761,587	10,496,013	93.00%
2005	10,203,793	.76/.74	.76/.74	722,576	4.28/4.28	4.28/4.28	196,984	11,123,353	12,019,310	92.55%
2006	11,678,092	.74/.74	.74/.74	791,814	4.28/4.28	4.28/4.28	272,833	12,742,739	14,209,685	89.68%
2007	13,645,880	.74/.68	.74/.68	925,026	4.28/4.28	4.28/4.28	210,405	14,781,311	14,851,881	99.52%
2008	15,539,599	.68/.71	.68/.71	862,821	4.28/4.28	4.28/4.28	297,870	16,700,290	15,956,419	104.66%
2009	15,621,142	.71/.742	.71/.742	873,464	4.28/4.28	4.28/4.28	126,801	16,621,407	16,796,927	98.96%
2010	15,340,297	.742/.742	.742/.742	834,748	4.28/4.28	4.28/4.28	452,388	16,627,433	16,250,315	102.32%

(1) Estimated actual value of real estate based on sales ratio percentages for the corresponding tax years as computed by the Virginia Department of Taxation

(2) Personal property includes personal property, business personal property, machinery/tools, and mobile homes

(3) Personal property, machinery and tools, and public service is assessed as 100% fair market value

(4) Real estate net of exemptions for land use deferral and tax relief for the elderly/disabled

COUNTY OF ALBEMARLE, VIRGINIA

Table 7

Property Tax Rates (1) (2)
Last Ten Fiscal Years

Fiscal Years		Public Service			
		Real Property (3)	Personal Property (3)	Real	Personal
2001	\$.76/.72	\$.76/.72	\$
2002		.76/.76	4.28/4.28	.76/.76	4.28/4.28
2003		.76/.76	4.28/4.28	.76/.76	4.28/4.28
2004		.76/.76	4.28/4.28	.76/.76	4.28/4.28
2005		.76/.74	4.28/4.28	.76/.74	4.28/4.28
2006		.74/.74	4.28/4.28	.74/.74	4.28/4.28
2007		.74/.68	4.28/4.28	.74/.68	4.28/4.28
2008		.68/.71	4.28/4.28	.68/.71	4.28/4.28
2009		.71/.742	4.28/4.28	.71/.742	4.28/4.28
2010		.742/.742	4.28/4.28	.742/.742	4.28/4.28

(1) Per \$100 of assessed value

(2) Includes 1st Half Rate/2nd Half Rate

(3) Mobile homes taxed as personal property using the Real Estate tax rate

COUNTY OF ALBEMARLE, VIRGINIA

Table 8

Principal Property Taxpayers

Current Year and the Period Nine Years Prior (3)

Taxpayer	Type Business	Fiscal Year 2010			Fiscal Year 2001		
		2010 Assessed Valuation (1)	Rank	% of Total Assessed Valuation	2001 Assessed Valuation (2)	Rank	% of Total Assessed Valuation
University Real Estate Foundation	Office Park	\$ 223,399	1	1.34%	\$ 98,650	1	1.37%
Westminster - Canterbury	Retirement Village	110,866	2	0.67%	29,812	5	0.41%
Wendell W Wood	Developer	94,347	3	0.57%	-	-	-
Charles Rotgin Jr	Developer	79,076	4	0.48%	-	-	-
Martha Jefferson Hospital	Medical - Private	76,798	5	0.46%	-	-	-
Shopping Center Associates	Shopping Mall	76,492	6	0.46%	37,796	3	0.52%
Charles W. Hurt	Developer	70,638	7	0.42%	50,466	2	0.70%
March Mountain Properties, LLC	Developer	55,583	8	0.33%	-	-	-
Robert M. Hauser	Developer	54,254	9	0.33%	-	-	-
University of Virginia Host Properties	Hotel and Sports Club	49,329	10	0.30%	26,975	7	0.37%
Glenmore Associates	Developer	-	-	-	30,830	4	0.43%
University Real Estate Foundation	Retirement Village	-	-	-	28,850	6	0.40%
Ja-Zan	Condominiums	-	-	-	23,691	8	0.33%
First Interstate - Charlottesville	Shopping Mall	-	-	-	22,178	9	0.31%
State Farm Insurance Company	Insurance	-	-	-	21,577	10	0.30%
		\$ 890,782		5.36%	\$ 370,825		5.14%

(1) Based on January 1, 2010 real estate tax assessment records

(2) Based on January 1, 2001 real estate tax assessment records

(3) Amounts expressed in thousands

COUNTY OF ALBEMARLE, VIRGINIA

Table 9

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year (1)	Collected within the Fiscal Year of the Levy (2,3)		Collections in Subsequent Years (2,3)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	\$ 74,621,141	\$ 72,085,861	96.60%	2,430,435	\$ 74,516,296	99.86%
2002	82,922,837	79,365,502	95.71%	3,442,953	82,808,455	99.86%
2003	90,220,820	87,589,917	97.08%	2,497,636	90,087,553	99.85%
2004	100,293,625	95,028,250	94.75%	5,098,661	100,126,911	99.83%
2005	108,050,010	103,614,626	95.90%	4,166,970	107,781,596	99.75%
2006	121,597,994	116,827,411	96.08%	4,300,264	121,127,675	99.61%
2007	132,958,629	126,368,127	95.04%	5,756,398	132,124,525	99.37%
2008	146,208,175	139,626,124	95.50%	4,739,235	144,365,359	98.74%
2009	151,579,976	143,841,132	94.89%	4,031,903	147,873,035	97.55%
2010	151,047,966	141,669,613	93.79%	-	141,669,613	93.79%

(1) Net of Land Use and Tax Relief

(2) Beginning in tax year 1999 the Commonwealth of Virginia assumed a portion of the County's personal property taxes.

The amounts reimbursed to the County are as follows:

1999	\$ 1,826,100
2000	6,182,481
2001	10,200,482
2002	13,071,144
2003	13,365,836
2004	13,128,885
2005	14,183,262

(3) Beginning in tax year 2006 the Commonwealth of Virginia capped the amount of Personal Property Tax Relief received by localities
The amount approved for Albemarle County is \$14,960,670.

COUNTY OF ALBEMARLE, VIRGINIA

Table 10

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Years	Governmental Activities										Component Unit		Total Outstanding Debt	Percentage of Personal Income (1)	Per Capita (1)		
	General		Unamortized		Literary		Capital		Other		VRS						
	Obligation Bonds		Bond Premium		Fund Loans		Leases		Notes/ Bonds	Retirement							
2001	\$	62,105,000	\$	-	\$	1,788,482	\$	-	\$	181,531	\$	852,634	\$	64,927,647	1.56%	\$	767
2002		77,395,000		-		1,377,874		-		130,028		624,445		79,527,347	1.86%		928
2003		98,540,000		-		1,090,616		190,000		72,991		-		99,893,607	2.30%		1,156
2004		98,545,000		1,110,457		820,858		6,855,665		9,826		-		107,341,806	2.37%		1,228
2005		100,300,000		1,672,992		600,000		6,206,827		-		-		108,779,819	2.23%		1,225
2006		100,150,000		1,900,116		400,000		5,536,628		-		-		107,986,744	2.12%		1,193
2007		107,330,000		2,136,409		200,000		4,844,365		-		-		114,510,774	2.15%		1,242
2008		110,150,000		2,500,779		100,000		4,129,311		-		-		116,880,090	2.10%		1,255
2009		129,115,000		2,921,308		-		3,432,350		6,841,021		-		142,309,679	2.35%		1,519
2010		118,805,000		2,590,322		-		2,712,373		6,316,772		-		130,424,467	2.04%		1,374

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics - Table 13

COUNTY OF ALBEMARLE, VIRGINIA

Table 11

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

Fiscal Year	Assessed Value	Net Bonded Debt (2)	Net General Bonded Debt as % of Assessed Value		Net Bonded Debt per Capita (1)
2001	\$ 6,325,139,804	\$ 66,500,740	1.05%	\$	786
2002	6,907,407,590	63,893,482	0.92%		746
2003	7,814,136,074	78,772,874	1.01%		912
2004	8,774,918,584	99,630,616	1.14%		1,140
2005	10,203,793,403	99,365,858	0.97%		1,119
2006	11,678,092,123	100,550,000	0.86%		1,111
2007	13,645,880,049	107,530,000	0.79%		1,167
2008	15,539,599,011	110,250,000	0.71%		1,184
2009	15,621,141,927	129,115,000	0.83%		1,378
2010	15,340,297,091	118,805,000	0.77%		1,252

(1) Population data can be found in the Schedule of Demographic and Economic Statistics - Table 13

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

COUNTY OF ALBEMARLE, VIRGINIA

Table 12

Legal Debt Margin Information
Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 632,513,980	\$ 690,740,759	\$ 781,413,607	\$ 877,491,858	\$ 1,020,379,340	\$ 1,167,809,212	\$ 1,364,588,005	\$ 1,553,959,901	\$ 1,562,114,193	\$ 1,534,029,709
Total net debt applicable to limit	66,500,740	63,893,482	78,772,874	99,630,616	99,365,858	100,550,000	107,530,000	110,250,000	129,115,000	118,805,000
Legal debt margin	\$ 566,013,240	\$ 626,847,277	\$ 702,640,733	\$ 777,861,242	\$ 921,013,482	\$ 1,067,259,212	\$ 1,257,058,005	\$ 1,443,709,901	\$ 1,432,999,193	\$ 1,415,224,709
Total net debt applicable to the limit as a percentage of debt limit	10.51%	9.25%	10.08%	11.35%	9.74%	8.61%	7.88%	7.09%	8.27%	7.74%

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed value	\$ 15,340,297,091
Debt limit (10% of total assessed value)	\$ 1,534,029,709
Net debt applicable to limit	118,805,000
Legal debt margin	\$ 1,415,224,709

COUNTY OF ALBEMARLE, VIRGINIA

Table 13

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Per Capita		Median Age (1)	School Enrollment (3)	Unemployment Rate (4)
		Personal Income (2)(5)	Personal Income (2)(5)			
2001	84,611	\$	4,161,884,000	\$	33,392	37.4
2002	85,672		4,278,750,000		33,859	37.4
2003	86,408		4,334,369,000		34,015	37.4
2004	87,404		4,535,348,000		35,343	37.4
2005	88,826		4,884,039,000		37,638	37.4
2006	90,484		5,082,982,000		36,909	36.0
2007	92,180		5,337,131,100		38,845	35.9
2008	93,117		5,554,915,000		41,709	36.2
2009	93,668		6,059,782,000		45,275	36.2
2010	94,908		6,383,281,000		46,969	37.4

(1) U.S. Census Bureau (estimates based on July 1)

(2) Bureau of Economic Analysis (estimates based on prior calendar year)

(3) Albemarle County Public Schools

(4) Virginia Employment Commission

(5) Includes the City of Charlottesville

COUNTY OF ALBEMARLE, VIRGINIA

Table 14

Principal Employers

Current Year and Nine Years Ago

Employer	Fiscal Year 2010		Fiscal Year 2001	
	Rank	Employees	Rank	Employees
University of Virginia/Blue Ridge Hospital	1	1,000 +	1	1,000 +
County of Albemarle	2	1,000 +	2	1,000 +
State Farm Mutual Automobile Insurance	3	1,000 +	4	1,000 +
UVA Health Services Foundation	4	1,000 +	3	1,000 +
Northrup Grumman Corporation	5	500 to 999		
U.S. Department of Defense	6	500 to 999		
Lakeland Tours	7	500 to 999		
Piedmont Virginia Community College	8	250 to 499	8	250 to 499
Wal Mart	9	250 to 499		
Atlantic Coast Athletic Club	10	250 to 499		
UVA Health Services Foundation				500 to 999
Sperry Marine, Inc.			5	500 to 999
GE Fanuc Automation Manufacturing			6	500 to 999
Crutchfield Corporation			7	250 to 499
Boar's Head Inn			9	250 to 499
FIC Staff Services			10	250 to 499

Source: Virginia Employment Commission

COUNTY OF ALBEMARLE, VIRGINIA

Table 15

Full-time Equivalent County Government Authorized Positions by Function
Last Ten Fiscal Years

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government Administration										
Board of Supervisors	3	3	3	3	3	3	3	3	3	2
County Executive (3)	9	11	12	13	14	14	15	14	12	12
Human Resources	-	-	-	1	1	1	3	3	3	3
County Attorney	6	6	6	6	6	6	7	8	8	8
Finance (3)	51	52	52	50	51	51	51	51	54	54
Information Technology	20	20	20	20	21	21	23	23	23	23
Board of Elections (Registrar)	5	5	5	5	6	6	6	6	6	6
Judicial										
Circuit Court	1	1	1	1	1	1	1	1	1	1
Juvenile Court Services	2	-	-	-	-	-	-	-	-	-
Clerk of the Circuit Court	10	10	10	10	10	10	11	11	11	10
Commonwealth's Attorney	8	8	8	8	8	8	9	9	9	9
Sheriff	21	21	21	21	21	23	23	23	23	23
Public safety										
Police	128	130	132	132	136	140	148	150	152	152
Fire/Rescue	22	32	38	41	49	53	75	80	80	80
General Services (1)										
General Services	18	18	19	28	28	35	31	31	31	31
Facilities Development (2)	-	-	-	-	-	-	8	8	8	10
Human Development										
Social Services	86	88	88	87	91	92	97	97	98	104
Bright Stars	11	12	14	14	14	14	18	19	20	19
Parks, Recreation, and Culture										
Parks and Recreation	14	16	16	16	18	18	19	19	19	19
Towe Park	4	4	4	4	4	4	3	3	3	3
Community Development (1)										
Community Development	77	84	86	80	81	81	83	84	84	83
Housing	9	9	9	9	9	8	8	7	7	7
Soil and Water Conservation	-	-	1	1	1	1	1	1	1	1
Totals	504	528	543	549	571	588	641	649	653	658

(1) Reorganization of General Services and Community Development in FY 02/03 and 03/04

(2) Reorganization of General Services; New Department Formed in FY 06/07

(3) Budget Office relocated from County Executive to Finance

Operating Indicators by Function
Last Ten Fiscal Years

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public safety										
Police department:										
Physical arrests	3,760	4,008	3,517	3,479	3,440	3,873	3,904	4,180	2,282	2,607
Traffic violations	6,643	7,176	6,481	7,344	7,363	7,573	9,309	11,412	13,373	13,454
Fire and rescue:										
Number of calls answered	5,537	5,819	7,602	9,450	11,656	12,672	12,232	12,364	12,370	12,680
Zoning & Current development										
New residential construction (unit #)	557	464	669	536	581	734	513	741	403	313
New commercial construction (unit #)	43	41	44	37	52	89	55	53	45	48
Health and welfare										
Department of Social Services:										
Caseload	N/A	N/A	N/A	N/A	N/A	8,125	10,533	12,348	12,636	14,619
Culture and recreation										
Parks and recreation:										
Middle school sports program participants	546	678	892	735	843	943	1,014	968	1,008	929
Fee based classes/camps	2,001	2,985	2,453	2,530	2,672	2,731	2,705	2,677	2,629	1,971
Summer playground program	731	678	649	552	583	597	478	447	465	504
Component Unit - School Board										
Education:										
School enrollment	12,237	12,140	12,287	12,356	12,378	12,446	12,491	12,531	12,742	12,914
Number of elementary instructors	468	474	474	459	479	488	495	501	496	518
Number of secondary instructors	518	531	531	542	546	553	547	549	553	551

Source: Individual county departments

COUNTY OF ALBEMARLE, VIRGINIA

Table 17

Capital Asset Statistics by Function
Last Nine Fiscal Years

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government									
Administration vehicles	8	9	7	8	8	8	8	8	8
Judicial									
Sherriff's department patrol units	24	25	24	24	30	29	31	33	31
Public safety									
Police department patrol units	134	151	153	151	150	155	162	167	177
Fire/Rescue department vehicles	20	23	21	27	31	34	39	34	35
Building codes:									
Inspections vehicles	8	8	13	13	13	13	14	14	13
Zoning vehicles	6	6	6	6	6	6	6	6	4
Public works									
Engineering vehicles (2)	12	13	9	3	-	-	-	-	-
General Services:									
General maintenance vehicles	1	1	1	8	15	10	12	12	11
Facilities Development (2)	-	-	-	-	-	4	5	5	5
Pool vehicles	9	8	8	8	9	10	10	11	11
Health and welfare									
Social Services vehicles	16	17	17	17	16	16	18	18	18
Parks and recreation									
Community centers	3	3	3	3	3	3	3	3	3
Vehicles	24	25	28	29	32	34	33	33	32
Parks (1)	33	33	34	34	34	34	34	36	36
Parks acreage (1)	2,815	2,905	2,905	2,905	2,905	2,967	2,967	4,034	4,034
Tennis courts	34	36	36	36	36	36	36	36	36
Community development									
Housing vehicles	1	1	1	1	2	2	2	2	2

Source: Individual county departments

(1) Includes schools which serve as community and district parks

(2) Reorganization of Engineering, General services, and Community development

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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

**To the Board of Supervisors
County of Albemarle, 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 the County of Albemarle, Virginia, as of and for the year ended June 30, 2010, which collectively comprise the County of Albemarle, Virginia's basic financial statements and have issued our report thereon dated December 15, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Albemarle, Virginia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Albemarle, Virginia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Albemarle, 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 County'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 would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the County of Albemarle, Virginia, in a separate letter dated December 15, 2010.

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

Robinson, Tamm, Cox Associates

Charlottesville, Virginia
December 15, 2010

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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

To the Board of Supervisors
County of Albemarle, Virginia

Compliance

We have audited the County of Albemarle, Virginia's Compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. The County of Albemarle, Virginia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County of Albemarle, Virginia's management. Our responsibility is to express an opinion on the County of Albemarle, Virginia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Albemarle, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County of Albemarle, Virginia complied, in all material respects, with the 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

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

Charlottesville, Virginia
December 15, 2010

Schedule of Expenditures of Federal Awards
 Primary Government and Discretely Presented Component Unit
 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
Primary Government:			
Department of Agriculture:			
Pass Through Payments:			
Department of Social Services:			
SNAP Cluster:			
ARRA - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010110	\$ 23,870
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010110	817,633
Total Department of Agriculture			\$ 841,503
Department of Health and Human Services:			
Pass Through Payments:			
Department of Social Services:			
Promoting Safe and Stable Families	93.556	0950110	\$ 7,102
Temporary Assistance for Needy Families (TANF)	93.558	0400111	541,174
Refugee and Entrant Assistance - State Administered Programs	93.566	0500111	11,656
Low-Income Home Energy Assistance	93.568	0600411	20,328
CCDF Cluster:			
Child Care and Development Block Grant	93.575	0770110	363,387
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760111	189,132
ARRA - Child Care and Development Block Grant	93.713	0770110	169,855
Chafee Education and Training Vouchers Program (ETV)	93.599	9160110	34,715
Child Welfare Services - State Grants	93.645	0900110	1,947
Foster Care - Title IV-E	93.658	1100111	809,883
ARRA - Foster Care - Title IV-E	93.658	1100111	45,595
Adoption Assistance	93.659	1120111	416,889
ARRA - Adoption Assistance	93.659	1120111	45,747
Social Services Block Grant	93.667	1000111	259,393
Chafee Foster Care Independence Program	93.674	9150110	23,298
Children's Health Insurance Program	93.767	0540111	36,051
Medical Assistance Program	93.778	1200111	490,018
Total Department of Health and Human Services			\$ 3,466,170
Department of Housing and Urban Development:			
Direct Payments:			
Section 8 Housing Choice Vouchers	14.871	N/A	\$ 2,893,017
Pass Through Payments:			
Department of Housing and Community Development:			
Community Development Block Grant/States' Program and Non-Entitlement Grants	14.228	53305-50798	645,989
Total Department of Housing and Urban Development			\$ 3,539,006
Department of the Interior:			
Direct Payments:			
Bureau of Land Management:			
Payment in lieu of taxes	15.226	N/A	\$ 34,547

Schedule of Expenditures of Federal Awards
 Primary Government and Discretely Presented Component Unit
 Year Ended June 30, 2010 (Continued)

Federal Grantor/ State Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Primary Government: (Continued)			
Department of Justice:			
Direct Payments:			
Public Safety Partnership and Community Policing Grants	16.710	N/A	\$ 18,075
Pass Through Payments:			
Department of Criminal Justice Services:			
Juvenile Accountability Block Grant	16.523	39001-57700	6,416
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	39001-57000	114,328
		39001-67000	
		39001-67703	
Missing Children's Assistance	16.543	N/A	28,746
Crime Victim Assistance	16.575	39001-46000	60,486
		39001-66000	
Edward Byrne Memorial Formula Grant Program	16.579	39001-61011	22,386
State Criminal Alien Assistance Program	16.606	N/A	32,681
Bulletproof Vest Partnership Program	16.607	N/A	2,816
Edward Byrne Memorial Justice Assistance Grant Program	16.738	39001-41000	124,317
		39001-51000	
		39001-61000	
Virginia Compensation Board:			
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program - Grants to States	16.803	2009-SU-B9-0033	36,349
Total Department of Justice			\$ 446,600
Department of Transportation:			
Pass Through Payments:			
Department of Motor Vehicles:			
ARRA Highway Planning and Construction	20.205	N/A	\$ 275,544
Highway Safety Cluster:			
State and Community Highway Safety Program	20.600	60507-50212	55,645
		60507-50292	
		60507-59101	
		60507-50102	
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605	45504-52273	9,350
Total Department of Transportation			\$ 340,539
Corporation for National and Community Service:			
Pass Through Payments:			
Department Of Education:			
AmeriCorps	94.006	49202-90626	\$ 3,436
Department of Energy:			
Direct Payments:			
ARRA Energy Efficiency and Conservation Block Grant Program	81.128	N/A	\$ 29,613
Federal Emergency Management Agency:			
Pass Through Payments:			
Department of Emergency Services:			
Emergency Food and Shelter National Board Program	97.024	N/A	\$ 7,063
Staffing for adequate fire and emergency response(SAFER)	97.083	N/A	6,048
ARRA - Emergency Food and Shelter National Board Program	97.114	N/A	4,804
Total Department of Homeland Security			\$ 17,915
Total Federal Assistance - Primary Government			\$ 8,719,329

Schedule of Expenditures of Federal Awards
 Primary Government and Discretely Presented Component Unit
 Year Ended June 30, 2010 (Continued)

Federal Grantor/ State Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Component Unit - School Board:			
Department of Agriculture:			
Pass Through Payments:			
State Department of Agriculture:			
Child Nutrition Cluster:			
Food Distribution	10.555	N/A	\$ 264,247
National School Breakfast Program	10.553	17901-40591	327,054
National School Lunch Program	10.555	17901-40623	1,372,997
ARRA Child Nutrition Discretionary Grants	10.579	17901-40592	15,940
Fresh Fruit and Vegetable Program	10.582	17901-40599	18,834
Total Department of Agriculture			\$ 1,999,072
Department of Health and Human Services:			
Pass Through Payments:			
Department of Social Services:			
Medical Assistance Program	93.778	N/A	\$ 29,628
Department of Education:			
Pass Through Payments:			
Adult Education - Basic Grants to States	84.002	17901-42801 17901-61380	\$ 178,589
Title I, Part A Cluster:			
Title I Grants to Local Educational Agencies	84.010	17901-42901	1,289,169
ARRA - Title I Grants to Local Educational Agencies	84.389	17901-42913	411,780
Migrant Education, Basic State Formula	84.011	17901-42910	121,729
School Improvement Grants	84.377	17901-43040	100,817
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	17901-43071	2,563,307
ARRA - Special Education - Grants to States	84.391	17901-61245	1,533,264
Special Education - Preschool Grants	84.173	17901-62521	89,822
ARRA - Special Education - Preschool Grants	84.392	17901-61247	37,033
Migrant Education Coordination Program	84.144	17901-61399	9,108
Safe and drug-free Schools and Communities - National Program	84.184	Q184L090484	740,657
Safe and drug-free Schools and Communities - State Grants	84.186	17901-60511	17,700
Education for Homeless Children and Youth Cluster:			
Education for Homeless Children and Youth	84.196	17901-42940	38,715
ARRA - Education for Homeless Children and Youth	84.387	17901-18102	31,562
Improving Teacher Quality State Grants	84.367	17901-61480	500,627
Educational Technology State Grants Cluster:			
Education Technology State Grants	84.318	17901-61600	17,654
ARRA - Education Technology State Grants	84.386	17901-60897	320
English Language Acquisition Grants	84.365	17901-60512	99,040
Twenty-First Century Community Learning Centers	84.287	17901-60565	147,096
ARRA - State Fiscal Stabilization Funds (SFSF), Education State Grants	84.394	17901-62532	3,897,296
Career and Technical Education - Basic Grants to States	84.048	17901-61095	154,275
Charter Schools	84.282	17901-48090	208,673
Total Department of Education			\$ 12,188,233
Total Federal Assistance - Component Unit- School Board			\$ 14,216,933
Total Expenditures of Federal Awards			\$ 22,936,262

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

COUNTY OF ALBEMARLE, VIRGINIA

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

Note 1 - General

The accompanying schedule of expenditures of federal awards presents the activity of all federally assisted programs of the County of Albemarle, Virginia. The County's reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

Note 2 - Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the County's basic financial statements.

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	\$ 4,406,599
General Capital Improvements	275,544
Federal/State Grants Fund	<u>4,037,185</u>
Total primary government	<u>\$ 8,719,328</u>

Component Unit Public Schools:

School Operating Fund	\$ 12,252,636
School Food Services Fund	<u>1,964,298</u>
Total component unit public schools	<u>\$ 14,216,934</u>
Total federal expenditures per basic financial statements	<u>\$ 22,936,262</u>

Total federal expenditures per the Schedule of Expenditures
of Federal Awards

\$ 22,936,262

COUNTY OF ALBEMARLE, 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 not considered to be material weaknesses?	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 not considered to be material weaknesses?	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
10.561	SNAP Cluster
14.228	Community Development Block Grant
84.010 / 84.389	Title I, Part A Cluster
84.027 / 84.173 / 84.391 / 84.392	Special Education Cluster (IDEA)
84.184	Safe and Drug-Free Schools and Communities
84.394	ARRA State Fiscal Stabilization Fund, Education State Grants

Dollar threshold used to distinguish between Type A and Type B programs	\$688,088
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 ALBEMARLE, VIRGINIA

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

There were no items reported.