

# COUNTY OF POWHATAN, VIRGINIA



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

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FOR FISCAL YEAR ENDED JUNE 30, 2010

## *INTRODUCTORY SECTION*

**COUNTY OF POWHATAN, VIRGINIA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR**  
**ENDED JUNE 30, 2010**

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Prepared By:

Powhatan County Finance Department

COUNTY OF POWHATAN, VIRGINIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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## COUNTY OF POWHATAN, VIRGINIA

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### Board of Supervisors

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Robert R. Cosby, Chairperson

Joe Walton  
C. Scott Daniel

Marsell Bustos  
Carson Tucker

### School Board

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Valarie C. Ayers, Chairperson

Timothy Gresham  
Debbie M. Jones

Heinrich A. Gideons  
Jason Moore

### Board of Social Services

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Gail Timberlake, Chairperson

Christie Shelton  
Herbert Straughter  
Randa Jackson

Carson Tucker  
Suzanne Kornegay

### Other Officials

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Judge of the Circuit Court .....	Thomas V. Warren
Clerk of the Circuit Court .....	William E. Maxey
Commonwealth's Attorney .....	Robert Beasley, Jr.
Treasurer .....	Faye Barton
Sheriff .....	Gregory A. Neal
Superintendent of Schools .....	Dr. Margaret S. Meara
Director of Social Services .....	Catherine Pemberton
Commissioner of the Revenue .....	Jamie Timberlake
County Administrator .....	Carolyn Bishop

## *FINANCIAL SECTION*

# ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

## *Independent Auditor's Report*

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Powhatan, Virginia, as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Powhatan, 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 business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Powhatan, 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 3, 2010, on our consideration of the County of Powhatan, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Powhatan, Virginia's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and the statistical section as listed in the table of contents as Other Supplementary Information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the County of Powhatan, Virginia. The combining and individual fund financial statements and schedules and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section 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, Fann, Cox Osante*

Richmond, Virginia  
December 3, 2010

## County of Powhatan

### Management's Discussion and Analysis

As management of the County of Powhatan, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal years ended June 30, 2010 and June 30, 2009. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

#### Financial Highlights

- The assets of the County exceeded its liabilities at the close of the fiscal year by \$17,930,197 (*net assets*).
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$14,831,811, a decrease of \$726,242 in comparison with the prior year.
- Approximately 94% of the ending governmental fund balance, or \$13,914,454, is available for spending at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, undesignated fund balance for the General Fund was \$10,662,980, which represents 15.3% of FY2009-2010 County and School System operating expenditures and transfers.
- The County's total capital assets (governmental and business-type) decreased from \$99,079,161 in 2009 (as restated) to \$96,519,491, a decrease of \$2,559,670 for the current fiscal year. The decrease is mainly due to \$4.0 million in depreciation expense and \$1.6 million in surplus and deleted assets net of \$3.0 million in the new assets, including the construction of the Fighting Creek Park Concession Stand.

#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the County.

#### Basic Financial Statements

The first two statements (Pages 11 and 12-13) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the County's financial status.

The next group of statements (Pages 14 thru 21) is the **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the proprietary fund statements; and 3) the fiduciary fund statements.

The next section of the basic financial statements is the **notes to the financial statements**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's individual funds.

### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole. The two government-wide statements report the County's net assets and how they have changed. Net assets are the difference between the County's total assets and total liabilities. Measuring net assets is one way to gauge the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, parks and recreation, and general administration. Property taxes, other local tax sources and state and federal grant funds finance most of these activities. The business-type activities include the Water and Sewer Fund in which fees are charged to customers to help cover the cost of providing water and sewer services. The third category, the component unit, accounts for activities of the County's public school system. Although legally separate from the County, approximately 53% of the County's budget is designated for the public schools. Members of the School Board are elected by the citizens in the district they represent.

### **Fund Financial Statements**

The fund financial statements (Pages 14 through 21) provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like all other governmental entities in Virginia, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements. The County has three types of funds:

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. These funds focus on assets that can readily be converted into cash flow in and out, and the balances left at year-end that will be available for spending in the next year. Governmental funds are reported using *modified accrual accounting*, which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

**Proprietary Funds** – Proprietary funds are used to account for those activities reported as business-type activities in the government-wide financial statements. These funds are reported using *full accrual accounting*, which focuses on economic resources including long term debt and fixed assets. Private businesses typically use full accrual accounting.

**Fiduciary Funds** – The County is a trustee, or fiduciary, for certain funds. It is also responsible for other assets that, because of a trust relationship, can be used only for the trust beneficiaries. The County is responsible for ensuring the assets in this fund are used for their intended purpose. The Fiduciary Funds of the County include Agency Funds. These activities are reported in a separate statement of fiduciary net assets. The County excludes this activity from its government-wide financial statements because the County cannot use these assets to finance its operations.

The County adopts an annual budget for its General Fund. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the appropriation resolution and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

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

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its employees.

### Government-Wide Financial Analysis

This is the seventh year that the County has presented its financial statements under the reporting model required by GASB Statement No. 34. This reporting model changes significantly both the recording and presentation of financial data. Prior year information is shown in a comparative analysis of government-wide information.

**Table 1 - Statement of Net Assets**

The following table reflects the condensed net assets of the County:

	2010		2009 (as restated)		2010 Totals	2009 Totals
	Governmental Activities	Business Type Activities	Governmental Activities	Business Type Activities		
Current and other assets	\$ 30,867,869	\$ 4,009,683	\$ 18,823,942	\$ 718,086	\$ 34,877,552	\$ 19,542,028
Capital assets	80,144,688	16,374,802	82,946,401	16,132,760	96,519,490	99,079,161
Total assets	111,012,557	20,384,485	101,770,343	16,850,846	131,397,042	118,621,189
Long-term liabilities	78,060,156	19,923,586	78,639,108	16,146,298	97,983,742	94,785,406
Other liabilities	15,091,815	391,288	3,207,084	352,014	15,483,103	3,559,098
Total liabilities	93,151,971	20,314,874	81,846,192	16,498,312	113,466,845	98,344,504
Net assets:						
Invested in capital assets, net of related debt	3,108,524	(3,521,073)	5,127,244	667,697	(412,549)	5,794,941
Restricted	2,247,827	3,955,505	2,872,925	-	6,203,332	2,872,925
Unrestricted	12,504,235	(364,821)	11,923,982	(315,163)	12,139,414	11,608,819
Total net assets	\$ 17,860,586	\$ 69,611	\$ 19,924,151	\$ 352,534	\$ 17,930,197	\$ 20,276,685

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of the County exceeded liabilities by \$17,930,197 as of June 30, 2010. The County's net assets decreased by \$2,346,488 for the fiscal year ended June 30, 2010. Net assets include the County's investment in capital assets (e.g. land, buildings, machinery, vehicles, and equipment) less any related debt still outstanding that was issued to acquire those items. The County uses these capital assets to provide services to citizens;

consequently, these assets are not available for future spending. Although the County of Powhatan's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. Unrestricted net assets of \$12,504,235 may be used to meet the government's ongoing obligations to citizens and creditors.

**Table 2 – Statement of Activities**

The following table reflects the revenues and expenses of the governmental and business-type activities:

	2010		2009		2010 Totals	2009 Totals
	Governmental Activities	Business Type Activities	Governmental Activities	Business Type Activities		
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 720,687	\$ 243,081	\$ 785,076	\$ 220,726	\$ 963,768	\$ 1,005,802
Operating grants and contributions	4,592,614	-	5,243,531	-	4,592,614	5,243,531
Property taxes	32,536,675	-	33,161,709	-	32,536,675	33,161,709
Other local taxes	4,723,134	-	4,568,552	-	4,723,134	4,568,552
Grants and contributions not restricted to specific programs	3,128,833	-	3,159,907	-	3,128,833	3,159,907
Payment from County School Board	-	-	1,000,000	-	-	1,000,000
Other	585,304	9,538	666,863	35,845	594,842	702,708
Total revenues	46,287,247	252,619	48,585,638	256,571	46,539,866	48,842,209
<b>Expenses:</b>						
General government	3,037,073	-	2,638,534	-	3,037,073	2,638,534
Judicial administration	918,457	-	927,087	-	918,457	927,087
Public safety	8,279,412	-	6,447,677	-	8,279,412	6,447,677
Public works	1,667,630	2,118,030	1,810,485	2,069,053	3,785,660	3,879,538
Health and welfare	3,987,693	-	3,877,527	-	3,987,693	3,877,527
Education	21,349,126	-	22,231,269	-	21,349,126	22,231,269
Parks, recreation and cultural	1,285,484	-	685,229	-	1,285,484	685,229
Community development	1,105,611	-	1,150,019	-	1,105,611	1,150,019
Interest and other fiscal charges	5,137,838	-	3,812,451	-	5,137,838	3,812,451
Total expenses	46,768,324	2,118,030	43,580,278	2,069,053	48,886,354	45,649,331
Change in net assets before transfers	(481,077)	(1,865,411)	5,005,360	(1,812,482)	(2,346,488)	3,192,878
Transfers	(1,582,488)	1,582,488	(1,533,352)	1,533,352	-	-
Change in net assets	(2,063,565)	(282,923)	3,472,008	(279,130)	(2,346,488)	3,192,878
Net assets - beginning (as restated)	19,924,151	352,534	17,147,107	631,664	20,276,685	17,778,771
Restatement of net assets - beginning		-	(694,964)	-	-	(694,964)
Net assets - beginning, as restated	19,924,151	352,534	16,452,143	631,664	20,276,685	17,083,807
Net assets - ending	\$ 17,860,586	\$ 69,611	\$ 19,924,151	\$ 352,534	\$ 17,930,197	\$ 20,276,685

**Governmental activities.** The County's three largest sources of revenue make up 90% of total revenues and include property taxes (70%), operating grants from state and federal sources (10%), and other local taxes (10%). Education accounts for 46% of total expenses and represents operating contributions to Powhatan County Public Schools. Other significant expenses are for public safety and interest and other fiscal charges, which represent 17% and 11% respectively of total expenses. Net assets decreased by \$2,346,488, as revenues decreased by 4.7%.

## **Financial Analysis of the County's Funds**

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

**Governmental Funds.** The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the County's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the County. At the end of the most recent fiscal year, unreserved fund balance of the General Fund was \$10,662,980.

At June 30, 2010, the governmental funds of the County reported a combined fund balance of \$14,831,811, a 4.7% decrease over last year. The decrease is primarily due to the use of bond proceeds and cash reserves for county capital projects and revenues falling short of initial projections.

**General Fund Budgetary Highlights:** During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original appropriation resolution once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Overall general fund revenues were less than the amended budget by \$994,195. General property taxes collections were \$354,283 higher than budgeted while nearly every other revenue category fell short of amended appropriations.

Overall, expenditures had a positive variance compared to budget of \$993,462. The contribution to Powhatan County Public Schools for operating expenditures (including the transfer to the School Debt Service Fund) was \$15,997 less than the amended budget. Public safety expenditures were \$319,256 below the amended budget.

## Capital Asset and Debt Administration

**Capital assets.** The County's investment in capital assets as of June 30, 2010, totals \$96,519,491 (net of accumulated depreciation). These assets include buildings, land, construction in progress, machinery and equipment, and vehicles.

*Table 3 – County Capital Assets (net of depreciation)*

	2010		2009 (as restated)	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Land	\$ 1,402,127	\$ 850,712	\$ 1,402,127	\$ -
Construction in progress	390,734	784,305	3,421,507	486,934
Buildings and fixed plant	9,551,540	14,723,640	6,997,053	15,621,608
Equipment	2,885,611	16,146	3,017,977	24,218
Jointly owned assets	65,914,676	-	68,107,737	-
Total	<u>\$ 80,144,688</u>	<u>\$ 16,374,803</u>	<u>\$ 82,946,401</u>	<u>\$ 16,132,760</u>

Overall net capital assets decreased by \$2,559,670 primarily due to depreciation and the sale or surplus of obsolete assets net of new construction. Additional information on the County's capital assets can be found in Note 5 in the Notes to the Financial Statements.

**Long-term Debt.** As of June 30, 2010, the County had total bonded debt outstanding (including literary loans) of \$94,187,490. Capital leases, compensated absences and the County's liability for other post employment benefits are not included in these figures.

*Table 4 – Outstanding Debt*

	2010		2009	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
General obligation bonds	\$ 39,946,458	\$ 7,825,433	\$ 41,346,097	\$ 8,053,196
Lease revenue bonds	32,515,287	11,650,312	32,857,059	7,935,134
State literary fund loans	2,250,000	-	2,500,000	-
Total	<u>\$ 74,711,745</u>	<u>\$ 19,475,745</u>	<u>\$ 76,703,156</u>	<u>\$ 15,988,330</u>

Total debt decreased by \$2,462,939 due to scheduled annual debt service payments. During the fiscal year ended June 30, 2010, the County also issued \$30.2 million in notes and general obligation bonds to refund \$29.5 million of its outstanding State literary fund loan obligations. Additional information regarding the County's long-term debt can be found in note 7 of the Notes to the Financial Statements.

## **Economic Factors and Next Year's Budgets and Rates**

Powhatan County is located in the lower piedmont area of Virginia. It is bordered by Chesterfield County to the east, Amelia County and the Appomattox River to the south, Goochland County and the James River to the north, and Cumberland County to the west. The eastern tip of the County is approximately fifteen miles directly west of the downtown area of the City of Richmond. The County encompasses 272 square miles. The Weldon-Cooper Center for Public Service's 2008 provisional (latest available) population estimate for the County is 27,550. With the recent opening of the new span of Route 288 and a strong housing market, Powhatan County has become one of the fastest growing localities in the Commonwealth. Powhatan County is the fourteenth fastest growing locality among Virginia's 134 counties and cities and one of the fastest growing localities in the Richmond Metropolitan Area. The Powhatan County economy continues to be strong despite the national economic downturn.

Probably the most significant measure in tracking the County's success in expanding our commercial/industrial economic base is the growth in total local revenue generated by the business sector and its growing proportionate share of total revenue. In 2009, the business sector accounted for approximately 16 percent of total local revenues. In the mid-1990's, this percentage was only 4 percent.

## **Budget Highlights for the Fiscal Year Ending June 30, 2011**

### **Governmental Activities:**

#### Long-term county goals

The Board of Supervisors continues to ensure that the county's tax rate on real estate remains level and competitive with neighboring jurisdictions. The Board of Supervisors recognizes the need for additional county services in the future as a result of the tremendous growth in population but also recognizes the long term costs associated with additional full-time positions.

The Board of Supervisors included funding in the budget for the update to the County's comprehensive plan; which helps to guide land use for the County. This update will guide other initiatives in the future including transportation proffer funding, capital improvement programming and other county services related to land use.

The Board of Supervisors continues to support a broad tax base including increased funding for Water and Sewer Infrastructure in the county and continued operational support to the Water and Sewer Fund from the General Fund. The county has seen enormous benefit from new business in the county with increases in sales tax revenue, real estate revenue and other business personal property revenues. The Board's goal to maintain a level tax rate, coupled with expanding businesses, is supported with these initiatives.

### Short term county goals

As stated above, the first priority of the budget is to protect and maintain fund balance at a 15% of total expenditure level. The Board of Supervisors continued to support this policy and the budget as adopted maintains this goal.

Key budget issues for FY11 include continued economic issues in regards to the housing market; federal stimulus money uses and continued revisions to revenue estimates. Due to budget constraints, no new requests for miscellaneous contributions were included in the FY11 budget.

### Tax Rates and Fees

The adopted budget included a real estate tax rate of \$.71 per \$100 of assessed value and maintains the personal property tax rate of \$3.60 per \$100 of assessed value. The county is currently in the process of the field work necessary for the reassessment that will be effective January 1, 2012.

### Total Fiscal Year 2011 Estimated Revenues

The fiscal year 2011 estimated total revenues include the real estate tax, personal property tax, and state and federal sources. The Board of Supervisors prioritized maintaining a level real estate tax rate during the FY10 budget.

### Total Fiscal Year 2011 Expenditures

The fiscal year 2011 total budget is \$68,285,721, a 7% decrease, and is balanced between revenues and expenditures. This includes \$42,007,557 in school funding and represents a .6% decrease in funding for the schools from FY10. The total operating budget represents an decrease of \$1,646,425. One of the largest increases was in the debt service fund which reflects the debt service payments associated with the new Flatrock Elementary School.

### Employee Compensation and Benefits

The adopted budget is funded to maintain a competitive compensation program to attract, retain and motivate exceptional employees. For fiscal year 2011, the budget does not include a cost of living increase for eligible employees.

### **Requests for Information**

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Director, County of Powhatan, 3834 Old Buckingham Road, Suite A, Powhatan, VA 23139. This report can also be viewed via the internet at [www.powhatanva.gov](http://www.powhatanva.gov).

## ***BASIC FINANCIAL STATEMENTS***

## ***GOVERNMENT-WIDE FINANCIAL STATEMENTS***

Statement of Net Assets  
June 30, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School Board
<b>ASSETS</b>				
Cash and cash equivalents	\$ 12,015,144	\$ -	\$ 12,015,144	\$ 557,404
Receivables (net of allowance for uncollectibles):				
Taxes receivable	15,630,674	-	15,630,674	-
Accounts receivable	18,489	8,973	27,462	80,857
Other assets	-	45,205	45,205	-
Due from other governmental units	700,773	-	700,773	3,789,087
Inventories	-	-	-	7,525
Prepaid expenses	140,106	-	140,106	-
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents (in custody of others)	2,362,683	3,955,505	6,318,188	-
Capital assets (net of accumulated depreciation):				
Land	1,402,127	850,712	2,252,839	668,764
Buildings and system	75,466,216	14,723,640	90,189,856	2,646,916
Machinery and equipment	2,885,611	16,145	2,901,756	33,703
Construction in progress	390,734	784,305	1,175,039	-
Total assets	<u>\$ 111,012,557</u>	<u>\$ 20,384,485</u>	<u>\$ 131,397,042</u>	<u>\$ 7,784,256</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 588,220	\$ 72,469	\$ 660,689	\$ 290,999
Accrued liabilities	-	-	-	3,914,218
Accrued interest payable	1,315,032	318,819	1,633,851	-
Unearned revenue	13,188,563	-	13,188,563	-
Long-term liabilities:				
Due within one year	3,372,757	410,245	3,783,002	209,440
Due in more than one year	74,687,399	19,513,341	94,200,740	5,555,225
Total liabilities	<u>\$ 93,151,971</u>	<u>\$ 20,314,874</u>	<u>\$ 113,466,845</u>	<u>\$ 9,969,882</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	\$ 3,108,524	\$ (3,521,073)	\$ (412,549)	\$ 3,349,383
Restricted for:				
Bond covenants	-	3,955,505	3,955,505	-
Construction	2,247,827	-	2,247,827	-
Unrestricted (deficit)	12,504,235	(364,821)	12,139,414	(5,535,009)
Total net assets	<u>\$ 17,860,586</u>	<u>\$ 69,611</u>	<u>\$ 17,930,197</u>	<u>\$ (2,185,626)</u>

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

COUNTY OF POWHATAN, VIRGINIA

Statement of Activities  
For the Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT:</b>				
Governmental activities:				
General government administration	\$ 3,037,073	\$ -	\$ 305,232	\$ -
Judicial administration	918,457	160,112	427,694	-
Public safety	8,279,412	381,483	1,856,377	-
Public works	1,667,630	41,969	-	-
Health and welfare	3,987,693	-	1,909,717	-
Education	21,349,126	-	-	-
Parks, recreation, and cultural	1,285,484	22,811	86,508	-
Community development	1,105,611	114,312	7,086	-
Interest on long-term debt	5,137,838	-	-	-
Total governmental activities	\$ 46,768,324	\$ 720,687	\$ 4,592,614	\$ -
Business-type activities:				
Water and sewer	\$ 2,118,030	\$ 243,081	\$ -	\$ -
Total business-type activities	\$ 2,118,030	\$ 243,081	\$ -	\$ -
Total primary government	\$ 48,886,354	\$ 963,768	\$ 4,592,614	\$ -
<b>COMPONENT UNIT:</b>				
School Board	\$ 48,162,000	\$ 823,228	\$ 24,376,109	\$ -
Total component units	\$ 48,162,000	\$ 823,228	\$ 24,376,109	\$ -
General revenues:				
General property taxes				
Local sales and use tax				
Consumer utility tax				
Other local taxes				
Unrestricted revenues from use of money and property				
Miscellaneous				
Grants and contributions not restricted to specific programs				
Payment from Powhatan County				
Transfers				
Total general revenues				
Change in net assets				
Net assets - beginning , as restated				
Net assets - ending				

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	School Board
\$ (2,731,841)	\$ -	\$ (2,731,841)	\$ -
(330,651)	-	(330,651)	-
(6,041,552)	-	(6,041,552)	-
(1,625,661)	-	(1,625,661)	-
(2,077,976)	-	(2,077,976)	-
(21,349,126)	-	(21,349,126)	-
(1,176,165)	-	(1,176,165)	-
(984,213)	-	(984,213)	-
(5,137,838)	-	(5,137,838)	-
<u>\$ (41,455,023)</u>	<u>\$ -</u>	<u>\$ (41,455,023)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ (1,874,949)</u>	<u>\$ (1,874,949)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ (1,874,949)</u>	<u>\$ (1,874,949)</u>	<u>\$ -</u>
<u>\$ (41,455,023)</u>	<u>\$ (1,874,949)</u>	<u>\$ (43,329,972)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,962,663)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,962,663)</u>
\$ 32,536,675	\$ -	\$ 32,536,675	\$ -
1,983,539	-	1,983,539	-
541,652	-	541,652	-
2,197,943	-	2,197,943	-
295,346	9,538	304,884	37,871
289,958	-	289,958	251,349
3,128,833	-	3,128,833	-
-	-	-	21,118,880
<u>(1,582,488)</u>	<u>1,582,488</u>	<u>-</u>	<u>-</u>
<u>\$ 39,391,458</u>	<u>\$ 1,592,026</u>	<u>\$ 40,983,484</u>	<u>\$ 21,408,100</u>
<u>\$ (2,063,565)</u>	<u>\$ (282,923)</u>	<u>\$ (2,346,488)</u>	<u>\$ (1,554,563)</u>
<u>19,924,151</u>	<u>352,534</u>	<u>20,276,685</u>	<u>(631,063)</u>
<u>\$ 17,860,586</u>	<u>\$ 69,611</u>	<u>\$ 17,930,197</u>	<u>\$ (2,185,626)</u>

## ***FUND FINANCIAL STATEMENTS***

Balance Sheet  
Governmental Funds  
June 30, 2010

	General	Debt Service	County Capital Projects	Other Governmental Funds	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 11,153,801	\$ 231,591	\$ -	\$ 629,752	\$ 12,015,144
Receivables (net of allowance for uncollectibles):					
Taxes receivable	15,630,674	-	-	-	15,630,674
Accounts receivable	18,489	-	-	-	18,489
Due from other governmental units	698,575	-	-	2,198	700,773
Prepaid items	-	140,106	-	-	140,106
Restricted assets:					
Temporarily restricted:					
Cash and cash equivalents	-	-	2,362,683	-	2,362,683
<b>Total assets</b>	<b>\$ 27,501,539</b>	<b>\$ 371,697</b>	<b>\$ 2,362,683</b>	<b>\$ 631,950</b>	<b>\$ 30,867,869</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 473,364	\$ -	\$ 114,856	\$ -	\$ 588,220
Deferred revenue	15,447,838	-	-	-	15,447,838
<b>Total liabilities</b>	<b>\$ 15,921,202</b>	<b>\$ -</b>	<b>\$ 114,856</b>	<b>\$ -</b>	<b>\$ 16,036,058</b>
<b>Fund balances:</b>					
<b>Reserved for:</b>					
Revenue Maximization	\$ 17,357	\$ -	\$ -	\$ -	\$ 17,357
Future capital projects	900,000	-	-	-	900,000
<b>Unreserved, reported in:</b>					
General fund	10,662,980	-	-	-	10,662,980
Special revenue funds	-	-	-	631,950	631,950
Debt service funds	-	371,697	-	-	371,697
Capital projects funds	-	-	2,247,827	-	2,247,827
<b>Total fund balances</b>	<b>\$ 11,580,337</b>	<b>\$ 371,697</b>	<b>\$ 2,247,827</b>	<b>\$ 631,950</b>	<b>\$ 14,831,811</b>
<b>Total liabilities and fund balances</b>	<b>\$ 27,501,539</b>	<b>\$ 371,697</b>	<b>\$ 2,362,683</b>	<b>\$ 631,950</b>	<b>\$ 30,867,869</b>

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

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

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	14,831,811
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, cost	\$	113,542,204	
Less: accumulated depreciation		<u>(33,397,516)</u>	80,144,688

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Deferred revenue	\$	<u>2,259,275</u>	2,259,275
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds and loans payable	\$	(74,711,745)	
Bond issuance premium		(2,098,801)	
Interest payable		(1,315,032)	
Capital lease obligations		(225,618)	
OPEB liability		(382,773)	
Compensated absences		<u>(641,219)</u>	<u>(79,375,188)</u>

Net assets of governmental activities	\$	<u><u>17,860,586</u></u>
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The notes to the financial statements are an integral part of this statement.

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

	General	Debt Service	County Capital Projects	Other Governmental Funds	Total
<b>REVENUES</b>					
General property taxes	\$ 31,900,172	\$ -	\$ -	\$ -	\$ 31,900,172
Other local taxes	4,723,134	-	-	-	4,723,134
Permits, privilege fees, and regulatory licenses	315,344	-	-	112,649	427,993
Fines and forfeitures	127,062	-	-	-	127,062
Revenue from the use of money and property	285,591	-	9,748	7	295,346
Charges for services	165,632	-	-	-	165,632
Miscellaneous	175,989	-	-	113,969	289,958
Intergovernmental revenues:					
Commonwealth	6,657,482	-	-	13,270	6,670,752
Federal	920,145	-	-	130,550	1,050,695
Total revenues	\$ 45,270,551	\$ -	\$ 9,748	\$ 370,445	\$ 45,650,744
<b>EXPENDITURES</b>					
Current:					
General government administration	\$ 2,748,207	\$ -	\$ -	\$ -	\$ 2,748,207
Judicial administration	827,533	-	-	-	827,533
Public safety	6,687,184	-	-	751,752	7,438,936
Public works	1,654,195	-	-	-	1,654,195
Health and welfare	3,968,635	-	-	-	3,968,635
Education	18,858,660	-	-	-	18,858,660
Parks, recreation, and cultural	705,973	-	-	-	705,973
Community development	1,120,923	-	-	-	1,120,923
Capital projects	-	-	1,301,670	-	1,301,670
Debt service:					
Principal retirement	-	2,991,861	-	-	2,991,861
Interest and other fiscal charges	-	5,464,072	-	-	5,464,072
Total expenditures	\$ 36,571,310	\$ 8,455,933	\$ 1,301,670	\$ 751,752	\$ 47,080,665
Excess (deficiency) of revenues over (under) expenditures	\$ 8,699,241	\$ (8,455,933)	\$ (1,291,922)	\$ (381,307)	\$ (1,429,921)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$ -	\$ 6,790,018	\$ -	\$ 547,001	\$ 7,337,019
Transfers out	(8,919,507)	-	-	-	(8,919,507)
Issuance of refunding bonds	-	29,318,799	666,824	-	29,985,623
Bond issuance premium	-	1,503,439	-	-	1,503,439
Redemption of refunded bonds	-	(29,202,895)	-	-	(29,202,895)
Total other financing sources (uses)	\$ (8,919,507)	\$ 8,409,361	\$ 666,824	\$ 547,001	\$ 703,679
Net change in fund balances	\$ (220,266)	\$ (46,572)	\$ (625,098)	\$ 165,694	\$ (726,242)
Fund balances - beginning	11,800,603	418,269	2,872,925	466,256	15,558,053
Fund balances - ending	\$ 11,580,337	\$ 371,697	\$ 2,247,827	\$ 631,950	\$ 14,831,811

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

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

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

Net change in fund balances - total governmental funds	\$	(726,242)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period.

Capital asset additions	\$	652,048	
Allocation of jointly owned assets		(2,260,220)	
Depreciation expense		<u>(1,193,541)</u>	(2,801,713)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	636,503
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments	\$	2,991,861	
Issuance of long-term debt		(29,985,623)	
Refunding of bonds		29,202,895	
Bond issuance premium		(1,503,439)	
Premium amortization		<u>77,299</u>	782,993

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

(Increase) decrease in compensated absences	\$	(76,492)	
(Increase) decrease in OPEB liability		(127,549)	
(Increase) decrease in interest payable		<u>248,935</u>	44,894

Change in net assets of governmental activities	\$	<u>(2,063,565)</u>
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The notes to the financial statements are an integral part of this statement.

Statement of Net Assets  
 Proprietary Fund  
 June 30, 2010

	<u>Enterprise Fund</u> <u>Water &amp;</u> <u>Sewer</u>
<b>ASSETS</b>	
Current assets:	
Accounts receivable, net of allowance for uncollectibles	\$ 8,973
Other assets	45,205
Total current assets	<u>\$ 54,178</u>
Noncurrent assets:	
Restricted current assets:	
Cash and cash equivalents-unspent bond proceeds	\$ 3,955,505
Total restricted current assets	<u>\$ 3,955,505</u>
Capital assets:	
Machinery and equipment	\$ 54,683
Land	850,712
Utility plant in service	16,539,573
Construction in progress	784,305
Less accumulated depreciation	(1,854,471)
Total capital assets	<u>\$ 16,374,802</u>
Total noncurrent assets	<u>\$ 20,330,307</u>
Total assets	<u>\$ 20,384,485</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 72,469
Accrued interest payable	318,819
Compensated absences - current portion	2,771
Bonds payable - current portion	407,474
Total current liabilities	<u>\$ 801,533</u>
Noncurrent liabilities:	
Bonds payable - net of current portion	\$ 19,488,401
Compensated absences - net of current portion	24,940
Total noncurrent liabilities	<u>\$ 19,513,341</u>
Total liabilities	<u>\$ 20,314,874</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	\$ (3,521,073)
Restricted for bond covenants	3,955,505
Unrestricted	(364,821)
Total net assets	<u>\$ 69,611</u>

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

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

	<u>Enterprise Fund</u> <u>Water &amp;</u> <u>Sewer</u>
<b>OPERATING REVENUES</b>	
Charges for services:	
Water and sewer revenues	\$ 147,628
Total operating revenues	\$ 147,628
<b>OPERATING EXPENSES</b>	
Personal services	\$ 314,729
Fringe benefits	69,681
Contractual services	242,431
Other charges	328,122
Depreciation	315,674
Total operating expenses	\$ 1,270,637
Operating income (loss)	\$ (1,123,009)
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Connection and reconnection fees	\$ 95,453
Investment earnings	9,538
Interest expense	(847,393)
Total nonoperating revenues (expenses)	\$ (742,402)
Income before contributions and transfers	\$ (1,865,411)
Transfers in	\$ 1,582,488
Change in net assets	\$ (282,923)
Total net assets - beginning	352,534
Total net assets - ending	\$ 69,611

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

Statement of Cash Flows  
 Proprietary Fund  
 For the Year Ended June 30, 2010

	<u>Enterprise Fund</u> <u>Water &amp;</u> <u>Sewer</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 152,119
Payments to suppliers	(558,410)
Payments to employees	(378,517)
Net cash provided (used) by operating activities	\$ <u>(784,808)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers from other funds	\$ 1,582,488
Net cash provided (used) by noncapital financing activities	\$ <u>1,582,488</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Additions to capital assets	\$ (557,717)
Issuance of bonds	4,603,249
Principal payments on bonds	(831,853)
Connection and availability fees	95,453
Interest payments	(820,261)
Net cash provided (used) by capital and related financing activities	\$ <u>2,488,871</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest and dividends received	\$ 9,537
Net cash provided (used) by investing activities	\$ <u>9,537</u>
Net increase (decrease) in cash and cash equivalents	\$ 3,296,088
Cash and cash equivalents - beginning - including restricted	659,417
Cash and cash equivalents - ending - including restricted	\$ <u><u>3,955,505</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ <u>(1,123,009)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	\$ 315,674
(Increase) decrease in accounts receivable	4,491
Increase (decrease) in accounts payable and accrued liabilities	12,143
Increase (decrease) in compensated absences	5,893
Total adjustments	\$ <u>338,201</u>
Net cash provided (used) by operating activities	\$ <u><u>(784,808)</u></u>

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

Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2010

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 319,913
Total assets	\$ <u>319,913</u>
<b>LIABILITIES</b>	
Amounts held for social services clients	\$ 41,431
Amounts held for others	<u>278,482</u>
Total liabilities	\$ <u>319,913</u>

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

## *NOTES TO THE FINANCIAL STATEMENTS*

## COUNTY OF POWHATAN, VIRGINIA

### Notes to Financial Statements As of June 30, 2010

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#### ***Note 1—Summary of Significant Accounting Policies:***

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The County of Powhatan, Virginia (the "County") is governed by an elected five member Board of Supervisors. The County provides a full range of services for its citizens. These services include police and fire protection, recreational activities, cultural events, education, and social services.

The financial statements of the County of Powhatan, Virginia have been prepared in conformity with the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia, and the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board. The more significant of the government's accounting policies are described below.

Management's Discussion and Analysis - GASB Statement No. 34 requires the financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "Management's Discussion and Analysis" (MD&A).

#### Government-wide and Fund Financial Statements

Government-wide financial statements - The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities but also capital assets and long-term liabilities (such as buildings and general obligation debt).

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Statement of Net Assets - The Statement of Net Assets is designed to display financial position of the primary government (government and business-type activities) and its discretely presented component unit. Governments will report all capital assets in the government-wide Statement of Net Assets and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net assets of a government will be broken down into three categories - 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted.

## COUNTY OF POWHATAN, VIRGINIA

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

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

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**Statement of Activities** - The government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

#### **A. Financial Reporting Entity**

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for the basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present the County of Powhatan (the primary government) and its component units. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

## COUNTY OF POWHATAN, VIRGINIA

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

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

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#### **B. Individual Component Unit Disclosures**

*Blended Component Unit.* The County has no blended component units at June 30, 2010.

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

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

None

#### **D. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board. The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

The County applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989 unless these pronouncements conflict with or contradict GASB pronouncements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

## COUNTY OF POWHATAN, VIRGINIA

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

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

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

The government-wide statement of activities reflects both the gross and net cost per functional category (public safety, public works, health and welfare, etc.) which are otherwise being supported by general government revenues, (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, health and welfare, etc.) or a business-type activity.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The County's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 60 days after year-end are reflected as deferred revenues. Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the state or utility, which is generally within two months preceding receipt by the County.

Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure. Revenues from general purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when cash is received by the government.

In the fund financial statements, financial transactions and accounts of the County are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

## COUNTY OF POWHATAN, VIRGINIA

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

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

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

##### Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. The County reports the General, Debt Service, and County Capital Projects Funds as major governmental funds.

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

Debt Service Funds - Debt Service funds account for the accumulation of funds for the payment of debt service expenditures of the County, including debt incurred on behalf of the schools. Payment of principal and interest is provided by appropriations from the general fund.

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

Proprietary Funds - Account for operations that are financed in a manner similar to private business enterprises. The Proprietary Fund measurement focus is upon determination of net income, financial position, and changes in financial position. Proprietary Funds consist of Enterprise Funds.

Enterprise Funds - Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The County's Major Enterprise Fund consists of the water and sewer fund.

The County reports the following non-major governmental funds:

Special Revenue Funds - Special Revenue Funds account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. Special Revenue Funds consist of the following funds: Cash Proffers, Drug Task Force, Asset Forfeiture, and Grants Fund.

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

## COUNTY OF POWHATAN, VIRGINIA

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

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

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#### **E. Cash and Cash Equivalents**

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

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

#### **F. Investments**

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

#### **G. Receivables and payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portions of the interfund loans). All other outstanding balances between funds are reported as "advances to/from other funds."

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$193,654 at June 30, 2010 and is comprised of property taxes in the amount of \$188,373 and water and sewer revenues of \$5,281.

#### Real and Personal Property Tax Data:

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

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

The County bills and collects its own property taxes.

## COUNTY OF POWHATAN, VIRGINIA

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

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

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#### **H. Capital Assets**

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	40
Utility Plant	50
Furniture, vehicles and equipment	5-20
School buses	10

#### **I. Compensated Absences**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Assets. In accordance with the provisions of Governmental Accounting Standards No. 16, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulated rights to be received for sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as "terminal leave" prior to retirement.

#### **J. Retirement Plan**

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

## COUNTY OF POWHATAN, VIRGINIA

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

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

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#### **K. Use of Estimates**

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

#### **L. Fund Equity**

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

#### **M. Net Assets**

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

#### **N. Long-term Obligations**

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

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

### **Note 2—Stewardship, Compliance, and Accounting:**

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

1. On or before March 30<sup>th</sup>, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The Board of Supervisors is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.

## COUNTY OF POWHATAN, VIRGINIA

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

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

5. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Appropriations lapse on June 30, for all County units.

#### Expenditures and Appropriations

Expenditures did not exceed appropriations at June 30, 2010.

### Note 3—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 of Debt Securities

The County's rated debt investments as of June 30, 2010 were rated by Standard & Poor's and the ratings are presented below using Standard & Poor's rating scale. The County's investment policy has an emphasis on high credit quality and known marketability. Holdings of commercial paper are not allowed to exceed thirty-five percent of the investment portfolio.

<u>Locality's Rated Debt Investments' Values</u>	
<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>
	<u>AAAm</u>
Local Government Investment Pool	\$ 9,317,787
Virginia State Non-Arbitrage Pool	7,526,365
Total	<u>\$ 16,844,152</u>

# COUNTY OF POWHATAN, VIRGINIA

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

## Note 3—Deposits and Investments: (Continued)

### 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 value of the positions in the Local Government Investment Pool (LGIP) is 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 4—Due to/from Other Governments:

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

		<u>Component Unit</u>
	<u>Primary Government</u>	<u>School Board</u>
Commonwealth of Virginia:		
State sales tax	\$ -	\$ 686,784
Excess fees of Clerks	10,099	-
Rolling stock tax	335	-
Mobile home titling tax	270	-
EMS grants	2,198	-
E-911 wireless funds	7,259	-
Recordation tax	29,314	-
Health department rent	570	-
Abandoned vehicles	850	-
Comprehensive service	116,134	-
VPSA technology	-	232,382
VPA funds	29,365	-
State and local foster care	146	-
Communication tax	152,183	-
Constitutional officer reimbursements	152,066	-
Local sales tax	137,851	-
Federal Government:		
School fund grants	-	2,869,921
TANF CSBG funds	6,470	-
ARRA CSBG funds	3,764	-
VPA funds	51,899	-
Total due from other governments	\$ 700,773	\$ 3,789,087

COUNTY OF POWHATAN, VIRGINIA

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

**Note 5—Capital Assets:**

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

**Primary Government:**

	Balance July 1, 2009	Increases	Decreases	Balance June 30, 2010
<b>Governmental activities:</b>				
Capital assets not subject to depreciation:				
Land	\$ 1,402,127	\$ -	\$ -	\$ 1,402,127
Construction in progress	3,421,507	-	3,030,773	390,734
Total capital assets not subject to depreciation	\$ 4,823,634	\$ -	\$ 3,030,773	\$ 1,792,861
Capital assets subject to depreciation:				
Buildings	\$ 11,707,406	\$ 3,057,867	\$ -	\$ 14,765,273
Machinery and equipment	7,941,359	557,795	813,149	7,686,005
Jointly owned assets	88,980,301	329,864	12,100	89,298,065
Total capital assets being depreciated	\$ 108,629,066	\$ 3,945,526	\$ 825,249	\$ 111,749,343
Less accumulated depreciation for:				
Buildings	\$ 4,752,770	\$ 460,963	\$ -	\$ 5,213,733
Machinery and equipment	4,880,965	732,578	813,149	4,800,394
Jointly owned assets	20,872,564	2,453,034	(57,791)	23,383,389
Total accumulated depreciation	\$ 30,506,299	\$ 3,646,575	\$ 755,358	\$ 33,397,516
Total capital assets being depreciated, net	\$ 78,122,767	\$ 298,951	\$ 69,891	\$ 78,351,827
Governmental capital assets, net	\$ 82,946,401	\$ 298,951	\$ 3,100,664	\$ 80,144,688

**Component Unit - School Board:**

	Balance July 1, 2009	Increases	Decreases	Balance June 30, 2010
<b>Governmental activities:</b>				
Capital assets not subject to depreciation:				
Land	\$ 668,764	\$ -	\$ -	\$ 668,764
Total capital assets not subject to depreciation	\$ 668,764	\$ -	\$ -	\$ 668,764
Capital assets subject to depreciation:				
Jointly owned assets	\$ 3,848,620	\$ -	\$ 262,705	\$ 3,585,915
Machinery and equipment	97,755	-	-	97,755
Total capital assets being depreciated	\$ 3,946,375	\$ -	\$ 262,705	\$ 3,683,670
Less accumulated depreciation for:				
Jointly owned assets	\$ 902,790	\$ 106,100	\$ 69,891	\$ 938,999
Machinery and equipment	48,091	15,961	-	64,052
Total accumulated depreciation	\$ 950,881	\$ 122,061	\$ 69,891	\$ 1,003,051
Total capital assets being depreciated, net	\$ 2,995,494	\$ (122,061)	\$ 192,814	\$ 2,680,619
Component unit capital assets, net	\$ 3,664,258	\$ (122,061)	\$ 192,814	\$ 3,349,383

COUNTY OF POWHATAN, VIRGINIA

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

**Note 5—Capital Assets: (Continued)**

**Primary Government:**

	<u>Balance</u> <u>July 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2010</u>
<b>Enterprise activities:</b>				
<b>Enterprise Fund:</b>				
Capital assets not subject to depreciation:				
Land	\$ 462,068	\$ 388,644	\$ -	\$ 850,712
Construction in progress	486,934	297,371	-	784,305
Total capital assets not subject to depreciation	<u>\$ 949,002</u>	<u>\$ 686,015</u>	<u>\$ -</u>	<u>\$ 1,635,017</u>
Capital assets subject to depreciation:				
Utility plant in service	\$ 16,667,872	\$ -	\$ 128,299	\$ 16,539,573
Machinery and equipment	54,683	-	-	54,683
Total capital assets being depreciated	<u>\$ 16,722,555</u>	<u>\$ -</u>	<u>\$ 128,299</u>	<u>\$ 16,594,256</u>
Less accumulated depreciation for:				
Utility plant in service	\$ 1,508,332	\$ 307,601	\$ -	\$ 1,815,933
Machinery and equipment	30,465	8,073	-	38,538
Total accumulated depreciation	<u>\$ 1,538,797</u>	<u>\$ 315,674</u>	<u>\$ -</u>	<u>\$ 1,854,471</u>
Total capital assets being depreciated, net	<u>\$ 15,183,758</u>	<u>\$ (315,674)</u>	<u>\$ 128,299</u>	<u>\$ 14,739,785</u>
Enterprise capital assets, net	<u>\$ 16,132,760</u>	<u>\$ 370,341</u>	<u>\$ 128,299</u>	<u>\$ 16,374,802</u>

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

**Governmental activities:**

General government	\$ 171,263
Judicial administration	81,701
Public safety	700,547
Public works	7,869
Health and welfare	8,678
Education	2,453,034
Parks, recreation and cultural	210,999
Community development	12,484
Total Governmental activities	<u>\$ 3,646,575</u>

**Enterprise activities:**

Water and sewer fund	\$ 315,674
Total Enterprise activities	<u>\$ 315,674</u>
Component Unit School Board	<u>\$ 122,061</u>

COUNTY OF POWHATAN, VIRGINIA

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

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**Note 6—Interfund Transfers:**

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
Governmental Funds:		
General Fund	\$ -	\$ 8,919,507
Other governmental funds	547,001	-
Debt Service Fund	<u>6,790,018</u>	<u>-</u>
Total Governmental Funds	\$ <u>7,337,019</u>	\$ <u>8,919,507</u>
Enterprise Funds:		
Water and Sewer	\$ <u>1,582,488</u>	\$ <u>-</u>
Total Enterprise Funds	\$ <u>1,582,488</u>	\$ <u>-</u>
Total-All Funds	\$ <u><u>8,919,507</u></u>	\$ <u><u>8,919,507</u></u>

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

COUNTY OF POWHATAN, VIRGINIA

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

**Note 7—Long Term Obligations:**

**Primary Government:**

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

	Amounts Payable at July 1, 2009	Increases	Decreases	Amounts Payable at June 30, 2010	Amounts Due Within One Year
<b>Governmental Obligations:</b>					
Incurred by County:					
Compensated absences payable	\$ 564,727	\$ 132,965	\$ 56,473	\$ 641,219	\$ 64,122
Capital lease obligations	171,700	-	84,300	87,400	87,400
Lease revenue bonds	8,867,059	6,650,623	6,582,395	8,935,287	216,800
Bond premium	-	420,665	-	420,665	-
OPEB Liability	255,224	177,403	49,854	382,773	-
Total incurred by County	<u>\$ 9,858,710</u>	<u>\$ 7,381,656</u>	<u>\$ 6,773,022</u>	<u>\$ 10,467,344</u>	<u>\$ 368,322</u>
Incurred by School Board (for School Capital Assets):					
Literary loans	\$ 2,500,000	\$ -	\$ 250,000	\$ 2,250,000	\$ 250,000
General obligation bonds	41,346,097	23,335,000	24,734,639	39,946,458	2,171,217
Capital lease obligations	271,640	-	133,422	138,218	138,218
Lease revenue bonds	23,990,000	-	410,000	23,580,000	445,000
Bond premium	672,661	1,082,774	77,299	1,678,136	-
Total incurred by School Board	<u>\$ 68,780,398</u>	<u>\$ 24,417,774</u>	<u>\$ 25,605,360</u>	<u>\$ 67,592,812</u>	<u>\$ 3,004,435</u>
Total Governmental Obligations	<u>\$ 78,639,108</u>	<u>\$ 31,799,430</u>	<u>\$ 32,378,382</u>	<u>\$ 78,060,156</u>	<u>\$ 3,372,757</u>
<b>Enterprise Obligations:</b>					
Compensated absences payable	\$ 21,818	\$ 8,075	\$ 2,182	\$ 27,711	\$ 2,771
General obligation bonds	8,053,196	-	227,763	7,825,433	242,474
Bond premium	136,150	289,900	5,920	420,130	-
Lease revenue bonds	7,935,134	4,313,348	598,170	11,650,312	165,000
Total Enterprise Obligations	<u>\$ 16,146,298</u>	<u>\$ 4,611,323</u>	<u>\$ 834,035</u>	<u>\$ 19,923,586</u>	<u>\$ 410,245</u>

COUNTY OF POWHATAN, VIRGINIA

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

**Note 7—Long-Term Obligations: (Continued)**

**Primary Government: (continued)**

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

Year Ending June 30,	County Obligations			
	Capital Lease		Lease Revenue Bonds	
	Principal	Interest	Principal	Interest
2011	\$ 87,400	\$ 1,595	\$ 216,800	\$ 400,927
2012	-	-	197,155	411,920
2013	-	-	237,894	403,405
2014	-	-	311,470	285,251
2015	-	-	359,176	381,567
2016	-	-	714,322	358,975
2017	-	-	551,440	331,477
2018	-	-	822,145	299,097
2019	-	-	872,366	257,316
2020	-	-	915,203	215,080
2021	-	-	182,000	188,528
2022	-	-	192,000	178,710
2023	-	-	202,000	168,368
2024	-	-	214,000	157,448
2025	-	-	226,000	145,898
2026	-	-	238,000	133,718
2027	-	-	250,000	120,908
2028	-	-	264,000	107,416
2029	-	-	278,000	93,188
2030	-	-	294,000	78,173
2031	-	-	310,000	62,317
2032	-	-	326,000	45,623
2033	-	-	344,000	28,035
2034	-	-	417,316	9,503
Total	\$ <u>87,400</u>	\$ <u>1,595</u>	\$ <u>8,935,287</u>	\$ <u>4,862,848</u>

COUNTY OF POWHATAN, VIRGINIA

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

**Note 7—Long-Term Obligations: (Continued)**

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

Year Ending June 30,	School Obligations							
	Lease Revenue Bonds		Literary Loans		General Obligation Bonds		Capital Lease	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 445,000	\$ 1,144,950	\$ 250,000	\$ 67,500	\$ 2,171,217	\$ 2,757,323	\$ 138,218	\$ 2,418
2012	980,000	1,126,038	250,000	60,000	2,100,991	1,641,451	-	-
2013	1,055,000	1,084,388	250,000	52,500	2,119,723	1,557,265	-	-
2014	1,120,000	515,819	250,000	45,000	2,129,417	1,457,330	-	-
2015	1,170,000	975,638	250,000	37,500	2,161,828	1,369,963	-	-
2016	1,230,000	917,138	250,000	30,000	1,727,635	1,311,940	-	-
2017	1,290,000	855,638	250,000	22,500	1,748,076	1,247,485	-	-
2018	1,015,000	791,138	250,000	15,000	1,755,316	1,181,579	-	-
2019	1,070,000	740,388	250,000	7,500	1,787,937	1,110,867	-	-
2020	1,110,000	696,250	-	-	1,816,355	1,038,736	-	-
2021	1,165,000	640,750	-	-	1,854,676	966,081	-	-
2022	1,225,000	582,500	-	-	1,912,973	872,850	-	-
2023	890,000	521,250	-	-	1,972,184	776,205	-	-
2024	935,000	481,200	-	-	1,655,252	691,127	-	-
2025	975,000	439,125	-	-	1,702,121	623,846	-	-
2026	1,020,000	395,250	-	-	1,564,369	559,506	-	-
2027	1,070,000	344,250	-	-	1,631,556	480,318	-	-
2028	1,050,000	290,750	-	-	1,703,672	398,203	-	-
2029	1,105,000	238,250	-	-	1,776,160	312,465	-	-
2030	1,160,000	183,000	-	-	1,475,000	232,750	-	-
2031	1,220,000	125,000	-	-	1,550,000	159,000	-	-
2032	1,280,000	64,000	-	-	1,630,000	81,500	-	-
Total	\$ 23,580,000	\$ 13,152,706	\$ 2,250,000	\$ 337,500	\$ 39,946,458	\$ 20,827,790	\$ 138,218	\$ 2,418

COUNTY OF POWHATAN, VIRGINIA

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

**Note 7—Long-Term Obligations: (Continued)**

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

Year Ending June 30,	Enterprise Obligations			
	General Obligation Bonds		Lease Revenue Bonds	
	Principal	Interest	Principal	Interest
2011	\$ 242,474	\$ 365,491	\$ 165,000	\$ 560,487
2012	252,373	355,480	175,545	577,196
2013	262,468	344,549	226,706	568,202
2014	277,766	332,881	240,030	557,818
2015	283,277	321,057	255,824	546,790
2016	299,008	309,268	345,678	532,797
2017	309,968	296,857	348,560	516,523
2018	321,167	283,468	377,855	498,806
2019	337,614	268,971	397,634	479,266
2020	349,318	253,806	424,796	458,663
2021	190,000	237,847	388,000	438,538
2022	195,000	228,367	408,000	419,202
2023	205,000	218,558	428,000	398,315
2024	220,000	208,142	451,000	375,940
2025	230,000	197,061	479,000	352,226
2026	240,000	185,438	502,000	327,172
2027	250,000	173,455	525,000	300,925
2028	265,000	160,806	556,000	272,963
2029	280,000	147,238	587,000	243,041
2030	295,000	132,926	621,000	211,419
2031	310,000	117,869	650,000	178,146
2032	325,000	102,066	689,000	143,319
2033	340,000	85,505	726,000	106,747
2034	360,000	68,059	702,684	68,367
2035	375,000	49,738	225,000	43,142
2036	395,000	30,544	240,000	31,577
2037	415,000	10,348	250,000	19,399
2038	-	-	265,000	6,590
Total	\$ 7,825,433	\$ 5,485,795	\$ 11,650,312	\$ 9,233,576

COUNTY OF POWHATAN, VIRGINIA

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

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)

	<u>Year Issued</u>	<u>Interest Rates</u>	<u>Amount Outstanding</u>
<b>Governmental Obligations:</b>			
<b>Incurred by County:</b>			
Lease revenue bonds			
Series 2002	2002	3.50-5.25%	\$ 5,131,315
Series 2003	2003	3.21%	285,600
Series 2010	2010	.775-3.180%	3,518,372
Unamortized issuance premium			420,665
Capital lease	2006	3.65%	87,400
OPEB Liability			382,773
Compensated absences			<u>641,219</u>
Total incurred by County			\$ <u>10,467,344</u>
<b>Incurred by School Board:</b>			
Literary loans			
Series 1998	1999	3.00%	\$ 2,250,000
General obligation bonds			
Series 1992	1993	5.83%	75,000
Series 1994	1995	6.35%	2,207,018
Series 1996	1996	5.10%	175,000
Series 2001	2002	3.375-5.00%	635,000
Series 2002B	2003	4.00%	4,636,698
Series 2004	2005	4.00%	2,820,000
Series 2008B	2009	3.60%-5.350%	6,062,742
Series 2010	2010		23,335,000
Unamortized issuance premium			1,035,698
Capital Lease	2005	3.50%	138,218
Lease revenue bonds			
Series 2007	2007	4.25-5.00%	23,580,000
Unamortized issuance premium			<u>642,438</u>
Total incurred by School Board			\$ <u>67,592,812</u>
Total Governmental Obligations			\$ <u>78,060,156</u>

COUNTY OF POWHATAN, VIRGINIA

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

**Note 7—Long-Term Obligations: (Continued)**

**Enterprise Obligations:**

General obligation bonds				
VRA 2001	2001	4.00%	\$	1,470,433
VRA 2006	2006	3.58-4.76%		6,355,000
Unamortized issuance premium				420,130
Lease revenue bonds				
Series 2002	2002	3.50-5.25%		7,558,684
Series 2010	2010	.775-3.180%		231,628
Series 2010	2010	1.055-4.614%		3,860,000
Compensated absences				<u>27,711</u>
Total Enterprise Obligations			\$	<u><u>19,923,586</u></u>

**Component Unit - School Board:**

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

	Amounts Payable at July 1, 2009	Increases	Decreases	Amounts Payable at June 30, 2010	Amounts Due Within One Year
Compensated absences payable (payable from the School Fund)	\$ 2,076,555	\$ 225,498	\$ 207,656	\$ 2,094,397	\$ 209,440
OPEB Liability	<u>2,447,250</u>	<u>1,701,864</u>	<u>478,846</u>	<u>3,670,268</u>	<u>-</u>
Total Component Unit School Board	<u>\$ 4,523,805</u>	<u>\$ 1,927,362</u>	<u>\$ 686,502</u>	<u>\$ 5,764,665</u>	<u>\$ 209,440</u>

**Note 8—Deferred Revenue:**

Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Deferred revenue totaling \$15,447,838 is comprised of the following:

**Deferred Property Tax Revenue** - Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$15,328,511 at June 30, 2010.

**Prepaid Property Taxes** - Property taxes due subsequent to June 30, 2010 but paid in advance by the taxpayers totaled \$119,327 at June 30, 2010.

## COUNTY OF POWHATAN, VIRGINIA

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

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### ***Note 9—Contingent Liabilities:***

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

While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

### ***Note 10—Litigation:***

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

### ***Note 11 —Risk Management:***

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

The County is a member of the Virginia Municipal Group Self Insurance Association for workers' compensation and public officials' liability coverage with the Virginia Association of Counties Group Self Insurance Risk Pool. This program is administered by a servicing contractor, which furnishes claims review and processing.

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

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

## COUNTY OF POWHATAN, VIRGINIA

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

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### ***Note 12 – Defined Benefit Pension Plan:***

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#### **A. Plan Description**

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

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

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

#### **B. Funding Policy**

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their annual salary to the VRS. This 5.00% member contribution has been assumed by the employer. In addition, the County and School Board are required to contribute the remaining amounts necessary to fund participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County's and School Board's non-professional employees' contribution rates for the fiscal year ended 2010 were 10.77% and 7.23% of annual covered payroll, respectively.

The School Board contributed \$1,471,552, \$2,083,559, and \$2,350,923 to the teacher cost-sharing pool for professional employees for the fiscal years ended June 30, 2010, 2009, and 2008 respectively. These contributions represented 8.81%, 8.81%, and 10.30%, respectively, of current payroll.

## COUNTY OF POWHATAN, VIRGINIA

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

### Note 12 – Defined Benefit Pension Plan (Continued):

#### C. Annual Pension Cost

For fiscal year 2010, the County's annual pension cost of \$661,910 (which does not include the employees share assumed by the County of \$307,293) 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 \$185,463 (which does not include the employees share assumed by the School Board of \$128,260) and was equal to the Board's required and actual contributions.

Three Year Trend Information			
<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)(1)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
County:			
June 30, 2010	\$ 969,203	100%	\$ -
June 30, 2009	914,934	100%	-
June 30, 2008	764,519	100%	-
School Board:			
Non-Professional:			
June 30, 2010	\$ 313,723	100%	\$ -
June 30, 2009	316,627	100%	-
June 30, 2008	286,157	100%	-

(1) Includes Employer and Employee portion

The required contribution was determined as part of the June 30, 2007 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2007 included (a) an investment rate of return (net of administrative expenses) of 7.50%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year. Both investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the County's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. County's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2007 was 20 years.

## COUNTY OF POWHATAN, VIRGINIA

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

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### **Note 12 – Defined Benefit Pension Plan (Continued):**

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#### **D. Funded Status and Funding Progress**

As of June 30, 2009, the most recent actuarial valuation date, the Primary Government plan was 61.29% funded. The actuarial accrued liability for benefits was \$9,713,480, and the actuarial value of assets was \$5,953,462, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,760,018. The covered payroll (annual payroll of active employees covered by the plan) was \$6,018,212, and ratio of the UAAL to the covered payroll was 62.48%.

As of June 30, 2009, the most recent actuarial valuation date, the School Board's Non-Professional plan was 93.83% funded. The actuarial accrued liability for benefits was \$6,127,314, and the actuarial value of assets was \$5,749,500 resulting in an unfunded actuarial accrued liability (UAAL) of \$377,814. The covered payroll (annual payroll of active employees covered by the plan) was \$2,617,627, and ratio of the UAAL to the covered payroll was 14.43%.

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

### **Note 13 – Surety Bonds:**

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	<u>Amount</u>
Division of Risk Management Surety Bond:	
Commonwealth Funds	
William E. Maxey, Clerk of the Circuit Court	\$ 103,000
Faye Barton, Treasurer	400,000
Jamie Timberlake, Commissioner of the Revenue	3,000
Gregory A. Neal, Sheriff	30,000

COUNTY OF POWHATAN, VIRGINIA

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

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**Note 14 –Changes in Beginning Net Assets/Fund Balances:**

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The following changes were made to beginning net assets/fund balances at June 30, 2010:

		<u>Governmental Activities</u>
Beginning net assets as previously reported	\$	20,619,115
Record Land not previously reported		246,682
Remove duplicate assets		(1,526,979)
Remove accumulated depreciated for duplicate assets		<u>585,333</u>
Total Beginning net assets/fund balances as restated	\$	<u><u>19,924,151</u></u>

**Note 15–Postemployment Benefits Other Than Pensions:**

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Plan Description

The County allows retirees to remain on their health insurance plan after they retire and pay 100% of the active employee and retiree rates. The County retirees with at least 15 years of service receive a credit of \$4.00 per month per year of service with a maximum of \$120 toward the monthly rate. Health benefits include medical, dental and vision.

The Powhatan County Schools retirees who participate in the retiree medical plan pay the active employee and retiree rates to continued coverage, less the contribution from the School Board (\$390 per month as of July 1, 2007).

# COUNTY OF POWHATAN, VIRGINIA

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

## Note 15—Postemployment Benefits Other Than Pensions: (Continued)

### Funding Policy

The Schools currently have 25 retirees on their plan. The County has 8 retirees.

### Annual OPEB Cost and Net OPEB Obligation

The County and School Board's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*. The County and School Board have elected to calculate the ARC as the normal cost plus amortization of the unfunded portion of actuarial accrued liability in compliance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The estimated contributions are based on projected medical premium payments and credit for the implicit rate subsidy made during the year for the retired employees by the County and School Board. The following table shows the components of the County and School Board's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County and School Board's net OPEB obligation to the Retiree Health Plan:

	COUNTY	SCHOOLS
Annual required contribution	\$ 177,614	\$ 1,703,886
Interest on net OPEB obligation	10,281	97,818
Adjustment to annual required contribution	(10,415)	(99,917)
Annual OPEB cost (expense)	\$ 177,480	\$ 1,701,787
Estimated Contributions made	(49,931)	(478,769)
Increase in net OPEB obligation	127,549	1,223,018
Net OPEB obligation-beginning of year	255,224	2,447,250
Net OPEB obligation-end of year	\$ 382,773	\$ 3,670,268

The County and School Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2009 and 2010 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
County:			
6/30/2010	\$ 177,480	28.13%	\$ 382,773
6/30/2009	326,395	21.81%	255,224
Schools:			
6/30/2010	1,701,787	28.13%	3,670,268
6/30/2009	3,129,680	21.81%	2,447,250

## COUNTY OF POWHATAN, VIRGINIA

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

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### **Note 15—Postemployment Benefits Other Than Pensions: (Continued)**

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#### **Funded Status and Funding Progress**

As of June 30, 2008, the County's actuarial accrued liability for benefits was \$1,256,792, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$5,801,738, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 21.66 percent.

As of June 30, 2008, the School Board's actuarial accrued liability for benefits was \$12,088,296, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$26,238,870, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 46.07 percent.

Actuarial valuations of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

#### **Actuarial Methods and Assumptions**

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

The following simplifying assumptions were made:

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

*Mortality*—Life expectancies were based on mortality tables from the RP-2000 Combined Healthy mortality tables for males and females projected to 2010 using Scale AA.

*Coverage elections*—The actuarial assumed that 70% of eligible County retirees and 85% of School retirees will elect coverage.

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

## COUNTY OF POWHATAN, VIRGINIA

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

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### **Note 16-Other Post-Employment Benefits (OPEB):**

#### **A. Plan Description**

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

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

Benefit provisions and eligibility requirements are established by Title 51.1, Chapter 14 of the Code of Virginia. The VRS actuarially determines the amount necessary to fund all credits provided, reflects the cost of such credits in the applicable employer contribution rate pursuant to §51.1-145, and prescribes such terms and conditions as are necessary to carry out the provisions of the health insurance credit program. VRS issues separate financial statements as previously discussed in Note 12.

#### **B. Funding Policy**

The School Board is required to contribute, at an actuarially determined rate, the entire amount necessary to fund participation in the program. The current rate is 1.04% of annual covered payroll. The School Board's contributions to VRS for the years ended June 30, 2010 and 2009 were \$173,713 and \$255,419 respectively equaled the required contributions for the year.

### **Note 17-Subsequent Events:**

On August 10, 2010, the County issued \$5,290,000 in series 2010 lease revenue bonds at an interest rate of 3.51% and a maturity date of February 1, 2030.

***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.***

## General Fund

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
<b>REVENUES</b>				
General property taxes	\$ 34,002,401	\$ 31,545,889	\$ 31,900,172	\$ 354,283
Other local taxes	4,931,706	4,931,706	4,723,134	(208,572)
Permits, privilege fees, and regulatory licenses	598,550	598,550	315,344	(283,206)
Fines and forfeitures	114,300	114,300	127,062	12,762
Revenue from the use of money and property	429,109	429,109	285,591	(143,518)
Charges for services	339,639	347,610	165,632	(181,978)
Miscellaneous	116,400	235,666	175,989	(59,677)
Intergovernmental revenues:				
Commonwealth	3,570,291	7,045,663	6,657,482	(388,181)
Federal	889,044	1,016,253	920,145	(96,108)
Total revenues	<u>\$ 44,991,440</u>	<u>\$ 46,264,746</u>	<u>\$ 45,270,551</u>	<u>\$ (994,195)</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 2,676,135	\$ 2,869,896	\$ 2,748,207	\$ 121,689
Judicial administration	883,254	899,673	827,533	72,140
Public safety	6,673,873	7,006,440	6,687,184	319,256
Public works	1,598,493	1,760,850	1,654,195	106,655
Health and welfare	3,148,225	4,085,923	3,968,635	117,288
Education	18,874,657	18,874,657	18,858,660	15,997
Parks, recreation, and cultural	622,555	758,021	705,973	52,048
Community development	1,271,952	1,309,312	1,120,923	188,389
Total expenditures	<u>\$ 35,749,144</u>	<u>\$ 37,564,772</u>	<u>\$ 36,571,310</u>	<u>\$ 993,462</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 9,242,296</u>	<u>\$ 8,699,974</u>	<u>\$ 8,699,241</u>	<u>\$ (733)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>\$ (9,272,505)</u>	<u>\$ (9,278,156)</u>	<u>\$ (8,919,507)</u>	<u>\$ 358,649</u>
Total other financing sources and uses	<u>\$ (9,272,505)</u>	<u>\$ (9,278,156)</u>	<u>\$ (8,919,507)</u>	<u>\$ 358,649</u>
Net change in fund balances	\$ (30,209)	\$ (578,182)	\$ (220,266)	\$ 357,916
Fund balances - beginning	<u>30,209</u>	<u>578,182</u>	<u>11,800,603</u>	<u>11,222,421</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,580,337</u>	<u>\$ 11,580,337</u>

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

**Primary Government:**  
**County Retirement Plan:**

Valuation Date*	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded (Excess Funded) Actuarial Accrued Liability (UAAL) (3)-(2)	Funded Ratio (2)/(3)	Annual Covered Payroll	UAAL as % of Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2009	\$ 5,953,462	\$ 9,713,480	\$ 3,760,018	61.29%	\$ 6,018,212	62.48%
6/30/2008	4,592,846	8,374,470	3,781,624	54.84%	5,545,279	68.20%
6/30/2007	3,418,825	5,563,701	2,144,876	61.45%	4,887,084	43.89%
6/30/2006	2,514,500	4,671,803	2,157,303	53.82%	4,534,335	47.58%

**Discretely Presented Component Unit:**  
**School Board Non-Professionals Retirement Plan:**

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded (Excess Funded) Actuarial Accrued Liability (UAAL) (3)-(2)	Funded Ratio (2)/(3)	Annual Covered Payroll	UAAL as % of Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2009	\$ 5,749,500	\$ 6,127,314	\$ 377,814	93.83%	\$ 2,617,627	14.43%
6/30/2008	5,579,785	6,051,378	471,593	92.21%	2,516,343	18.74%
6/30/2007	4,903,775	5,561,824	658,049	88.17%	2,386,640	27.57%
6/30/2006	4,209,144	4,746,117	536,973	88.69%	2,284,819	23.50%
6/30/2005	3,790,936	4,354,668	563,732	87.05%	2,202,026	25.60%
6/30/2004	3,509,858	3,735,886	226,028	93.95%	1,785,072	12.66%
6/30/2003	3,382,377	3,476,006	93,629	97.31%	1,628,176	5.75%
6/30/2002	3,233,988	3,206,417	(27,571)	100.86%	1,545,632	-1.78%

\* County has only participated for four years and therefore there is only actuarial information for four years.

Schedule of Funding Progress - Retiree Healthcare Plan  
For the Year Ended June 30, 2010

Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Excess Funded) Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Annual Covered Payroll ( c )	UAAL as % of Payroll ((b-a)/c)
County:						
6/30/2008 \$	-	\$ 1,256,792	\$ 1,256,792	0.00%	\$ 5,801,738	21.66%
School Board:						
6/30/2008 \$	-	\$ 12,088,296	\$ 12,088,296	0.00%	\$ 26,238,870	46.07%

## *OTHER SUPPLEMENTARY INFORMATION*

## Debt Service Fund

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	\$ 4,478,833	\$ 3,922,627	\$ 2,991,861	\$ 930,766
Interest and other fiscal charges	2,635,184	5,005,620	5,464,072	(458,452)
Total expenditures	<u>\$ 7,114,017</u>	<u>\$ 8,928,247</u>	<u>\$ 8,455,933</u>	<u>\$ 472,314</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (7,114,017)</u>	<u>\$ (8,928,247)</u>	<u>\$ (8,455,933)</u>	<u>\$ 472,314</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 6,790,017	\$ 6,790,017	\$ 6,790,018	\$ 1
Issuance of refunding bonds	-	29,318,799	29,318,799	-
Bond issuance premium	-	1,503,439	1,503,439	-
Redemption of refunding bonds	-	(29,202,895)	(29,202,895)	-
Total other financing sources and uses	<u>\$ 6,790,017</u>	<u>\$ 8,409,360</u>	<u>\$ 8,409,361</u>	<u>\$ 1</u>
Net change in fund balances	\$ (324,000)	\$ (518,887)	\$ (46,572)	\$ 472,315
Fund balances - beginning	324,000	518,887	418,269	(100,618)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 371,697</u>	<u>\$ 371,697</u>

## County Capital Projects Fund

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ 9,748	\$ 9,748
Total revenues	\$ -	\$ -	\$ 9,748	\$ 9,748
<b>EXPENDITURES</b>				
Capital projects	\$ 900,000	\$ 2,207,909	\$ 1,301,670	\$ 906,239
Total expenditures	\$ 900,000	\$ 2,207,909	\$ 1,301,670	\$ 906,239
Excess (deficiency) of revenues over (under) expenditures	\$ (900,000)	\$ (2,207,909)	\$ (1,291,922)	\$ 915,987
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 900,000	\$ 900,000	\$ -	\$ (900,000)
Issuance of bonds	-	-	666,824	666,824
Total other financing sources and uses	\$ 900,000	\$ 900,000	\$ 666,824	\$ (233,176)
Net change in fund balances	\$ -	\$ (1,307,909)	\$ (625,098)	\$ 682,811
Fund balances - beginning	-	1,307,909	2,872,925	1,565,016
Fund balances - ending	\$ -	\$ -	\$ 2,247,827	\$ 2,247,827

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 June 30, 2010

	Cash Proffers Fund	Drug Taskforce Fund	Asset Forfeiture Fund	Grants Fund	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 557,803	\$ 10,233	\$ 12,981	\$ 48,735	\$ 629,752
Due from other governmental units	-	-	-	2,198	2,198
Total assets	<u>\$ 557,803</u>	<u>\$ 10,233</u>	<u>\$ 12,981</u>	<u>\$ 50,933</u>	<u>\$ 631,950</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Fund balances:					
Unreserved:					
Undesignated	\$ 557,803	\$ 10,233	\$ 12,981	\$ 50,933	\$ 631,950
Total fund balances	<u>\$ 557,803</u>	<u>\$ 10,233</u>	<u>\$ 12,981</u>	<u>\$ 50,933</u>	<u>\$ 631,950</u>
Total liabilities and fund balances	<u>\$ 557,803</u>	<u>\$ 10,233</u>	<u>\$ 12,981</u>	<u>\$ 50,933</u>	<u>\$ 631,950</u>

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

	Cash Proffers Fund	Drug Taskforce Fund	Asset Forfeiture Fund	Grants Fund	Total
<b>REVENUES</b>					
Permits, privilege fees, and regulatory licenses	\$ 112,649	\$ -	\$ -	\$ -	\$ 112,649
Revenue from the use of money and property	-	7	-	-	7
Miscellaneous	-	-	-	113,969	113,969
Intergovernmental revenues:					
Commonwealth	-	2,105	-	11,165	13,270
Federal	-	-	-	130,550	130,550
Total revenues	\$ 112,649	\$ 2,112	\$ -	\$ 255,684	\$ 370,445
<b>EXPENDITURES</b>					
Current:					
Public safety	\$ -	\$ -	\$ -	\$ 751,752	\$ 751,752
Total expenditures	\$ -	\$ -	\$ -	\$ 751,752	\$ 751,752
Excess (deficiency) of revenues over (under) expenditures	\$ 112,649	\$ 2,112	\$ -	\$ (496,068)	\$ (381,307)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$ -	\$ -	\$ -	\$ 547,001	\$ 547,001
Total other financing sources and uses	\$ -	\$ -	\$ -	\$ 547,001	\$ 547,001
Net change in fund balances	\$ 112,649	\$ 2,112	\$ -	\$ 50,933	\$ 165,694
Fund balances - beginning	445,154	8,121	12,981	-	466,256
Fund balances - ending	\$ 557,803	\$ 10,233	\$ 12,981	\$ 50,933	\$ 631,950

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

	Cash Proffers Fund			Grants Fund		
	Budgeted Amounts		Variance with Final Budget Positive (Negative)	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final		Original	Final	
<b>REVENUES</b>						
Permits, privilege fees, and regulatory licenses	\$ 75,000	\$ 75,000	\$ 112,649	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	119,881	113,969
Intergovernmental revenues:						
Commonwealth	-	-	-	-	47,736	11,165
Federal	-	-	-	-	408,607	130,550
Total revenues	\$ 75,000	\$ 75,000	\$ 112,649	\$ -	\$ 576,224	\$ 255,684
			\$ 37,649			\$ (320,540)
<b>EXPENDITURES</b>						
Current:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 1,164,429	\$ 751,752
Community development	75,000	75,000	75,000	-	-	-
Total expenditures	\$ 75,000	\$ 75,000	\$ 75,000	\$ -	\$ 1,164,429	\$ 412,677
						\$ 412,677
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 112,649	\$ -	\$ (588,205)	\$ (496,068)
			\$ 112,649			\$ 92,137
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ 588,205	\$ 547,001
Total other financing sources and uses	\$ -	\$ -	\$ -	\$ -	\$ 588,205	\$ (41,204)
						\$ (41,204)
Net change in fund balances	\$ -	\$ -	\$ 112,649	\$ -	\$ -	\$ 50,933
Fund balances - beginning	-	-	445,154	-	-	-
Fund balances - ending	\$ -	\$ -	\$ 557,803	\$ -	\$ -	\$ 50,933
			\$ 557,803			\$ 50,933

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

	<u>Agency Funds</u>		
	<u>Special Welfare</u>	<u>Bond Escrow</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 41,431	\$ 278,482	\$ 319,913
Total assets	<u>\$ 41,431</u>	<u>\$ 278,482</u>	<u>\$ 319,913</u>
<b>LIABILITIES</b>			
Amounts held for social services clients	\$ 41,431	\$ -	\$ 41,431
Amounts held for others	-	278,482	278,482
Total liabilities	<u>\$ 41,431</u>	<u>\$ 278,482</u>	<u>\$ 319,913</u>

## Fiduciary Funds

## Statement of Changes in Assets and Liabilities - Agency Funds

Year Ended June 30, 2010

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
<b>Special Welfare Fund:</b>				
Assets:				
Cash and cash equivalents	\$ 40,050	\$ 22,933	\$ 21,552	\$ 41,431
Liabilities:				
Amounts held for social services clients	\$ 40,050	\$ 22,933	\$ 21,552	\$ 41,431
<b>Bond Escrow:</b>				
Assets:				
Cash and cash equivalents	\$ 247,194	\$ 46,948	\$ 15,660	\$ 278,482
Liabilities:				
Amounts held for others	\$ 247,194	\$ 46,948	\$ 15,660	\$ 278,482
<b>Totals -- All Agency Funds</b>				
Assets:				
Cash and cash equivalents	\$ 287,244	\$ 69,881	\$ 37,212	\$ 319,913
Total assets	\$ 287,244	\$ 69,881	\$ 37,212	\$ 319,913
Liabilities:				
Amounts held for social services clients	\$ 40,050	\$ 22,933	\$ 21,552	\$ 41,431
Amounts held for others	247,194	46,948	15,660	278,482
Total liabilities	\$ 287,244	\$ 69,881	\$ 37,212	\$ 319,913

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

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

	<u>School Operating Fund</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 297,290	\$ 260,114	\$ 557,404
Receivables (net of allowance for uncollectibles):			
Accounts receivable	80,857	-	80,857
Due from other governmental units	3,763,685	25,402	3,789,087
Inventories	-	7,525	7,525
Total assets	<u>\$ 4,141,832</u>	<u>\$ 293,041</u>	<u>\$ 4,434,873</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 290,999	\$ -	\$ 290,999
Accrued liabilities	3,850,833	63,385	3,914,218
Total liabilities	<u>\$ 4,141,832</u>	<u>\$ 63,385</u>	<u>\$ 4,205,217</u>
Fund balances:			
Reserved for:			
Inventories	\$ -	\$ 7,525	\$ 7,525
Unreserved:			
Undesignated	-	222,131	222,131
Total fund balances	<u>\$ -</u>	<u>\$ 229,656</u>	<u>\$ 229,656</u>
Total liabilities and fund balances	<u>\$ 4,141,832</u>	<u>\$ 293,041</u>	<u>\$ 4,434,873</u>

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

Total fund balances per above \$ 229,656

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 3,349,383

Long-term liabilities, including compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the funds. (5,764,665)

Net assets of governmental activities \$ (2,185,626)

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

	School Operating Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Revenue from the use of money and property	\$ 37,104	\$ 767	\$ 37,871
Charges for services	-	823,228	823,228
Miscellaneous	251,349	-	251,349
Intergovernmental revenues:			
Local government	18,858,660	-	18,858,660
Commonwealth	19,999,359	18,809	20,018,168
Federal	3,948,849	409,092	4,357,941
Total revenues	<u>\$ 43,095,321</u>	<u>\$ 1,251,896</u>	<u>\$ 44,347,217</u>
<b>EXPENDITURES</b>			
Current:			
Education	\$ 42,935,321	\$ 1,410,724	\$ 44,346,045
Total expenditures	<u>\$ 42,935,321</u>	<u>\$ 1,410,724</u>	<u>\$ 44,346,045</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 160,000</u>	<u>\$ (158,828)</u>	<u>\$ 1,172</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ -	\$ 160,000	\$ 160,000
Transfers out	<u>(160,000)</u>	<u>-</u>	<u>(160,000)</u>
Total other financing sources and uses	<u>\$ (160,000)</u>	<u>\$ 160,000</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ 1,172	\$ 1,172
Fund balances - beginning - as restated	-	228,484	228,484
Fund balances - ending	<u>\$ -</u>	<u>\$ 229,656</u>	<u>\$ 229,656</u>

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:

Net change in fund balances - total governmental funds - per above \$ 1,172

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

Depreciation expense	\$ (2,575,095)	
Allocation of jointly owned assets	<u>2,260,220</u>	(314,875)

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

(Increase) decrease in compensated absences	\$ (17,842)	
(Increase) decrease in OPEB liability	<u>(1,223,018)</u>	<u>(1,240,860)</u>

Change in net assets of governmental activities \$ (1,554,563)

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

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 37,104	\$ 37,104
Miscellaneous	350,550	350,550	251,349	(99,201)
Intergovernmental revenues:				
Local government	18,874,657	18,874,657	18,858,660	(15,997)
Commonwealth	23,245,785	23,245,785	19,999,359	(3,246,426)
Federal	2,397,253	2,397,253	3,948,849	1,551,596
Total revenues	\$ 44,868,245	\$ 44,868,245	\$ 43,095,321	\$ (1,772,924)
EXPENDITURES				
Current:				
Education	\$ 44,633,245	\$ 44,633,245	\$ 42,935,321	\$ 1,697,924
Total expenditures	\$ 44,633,245	\$ 44,633,245	\$ 42,935,321	\$ 1,697,924
Excess (deficiency) of revenues over (under) expenditures	\$ 235,000	\$ 235,000	\$ 160,000	\$ (75,000)
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (235,000)	\$ (235,000)	\$ (160,000)	\$ 75,000
Total other financing sources and uses	\$ (235,000)	\$ (235,000)	\$ (160,000)	\$ 75,000
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

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

	School Cafeteria Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 20,076	\$ 20,076	\$ 767	\$ (19,309)
Charges for services	887,069	887,069	823,228	(63,841)
Intergovernmental revenues:				
Commonwealth	17,420	17,420	18,809	1,389
Federal	266,366	266,366	409,092	142,726
Total revenues	<u>\$ 1,190,931</u>	<u>\$ 1,190,931</u>	<u>\$ 1,251,896</u>	<u>\$ 60,965</u>
<b>EXPENDITURES</b>				
Current:				
Education	<u>\$ 1,425,931</u>	<u>\$ 1,425,931</u>	<u>\$ 1,410,724</u>	<u>\$ 15,207</u>
Total expenditures	<u>\$ 1,425,931</u>	<u>\$ 1,425,931</u>	<u>\$ 1,410,724</u>	<u>\$ 15,207</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (235,000)</u>	<u>\$ (235,000)</u>	<u>\$ (158,828)</u>	<u>\$ 76,172</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>\$ 235,000</u>	<u>\$ 235,000</u>	<u>\$ 160,000</u>	<u>\$ (75,000)</u>
Total other financing sources and uses	<u>\$ 235,000</u>	<u>\$ 235,000</u>	<u>\$ 160,000</u>	<u>\$ (75,000)</u>
Net change in fund balances	\$ -	\$ -	\$ 1,172	\$ 1,172
Fund balances - beginning - as restated	-	-	228,484	228,484
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 229,656</u>	<u>\$ 229,656</u>

## *SUPPORTING SCHEDULES*

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 25,206,178	\$ 25,206,178	\$ 26,016,596	\$ 810,418
Real and personal public service corporation taxes	605,826	605,826	563,876	(41,950)
Personal property taxes	7,669,545	4,647,073	4,224,906	(422,167)
Mobile home taxes	6,015	6,015	5,173	(842)
Machinery and tools taxes	449,837	449,837	420,656	(29,181)
Tax relief for the elderly	(280,000)	285,960	285,960	-
Penalties	210,000	210,000	224,189	14,189
Interest	135,000	135,000	158,816	23,816
Total general property taxes	\$ 34,002,401	\$ 31,545,889	\$ 31,900,172	\$ 354,283
Other local taxes:				
Local sales and use taxes	\$ 1,800,000	\$ 1,800,000	\$ 1,983,539	\$ 183,539
Communication sales taxes	950,000	950,000	901,592	(48,408)
Consumption taxes	100,000	100,000	86,306	(13,694)
Consumers' utility taxes	929,106	929,106	541,652	(387,454)
Business license taxes	120,600	120,600	108,120	(12,480)
Cable TV franchise tax	-	-	141,563	141,563
Motor vehicle licenses	680,000	680,000	659,044	(20,956)
Taxes on recordation and wills	341,000	341,000	294,242	(46,758)
Short term rental tax	11,000	11,000	7,076	(3,924)
Total other local taxes	\$ 4,931,706	\$ 4,931,706	\$ 4,723,134	\$ (208,572)
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 18,000	\$ 18,000	\$ 27,572	\$ 9,572
Transfer fees	1,000	1,000	790	(210)
Permits and other licenses	579,550	579,550	286,982	(292,568)
Total permits, privilege fees, and regulatory licenses	\$ 598,550	\$ 598,550	\$ 315,344	\$ (283,206)
Fines and forfeitures:				
Court fines and forfeitures	\$ 114,300	\$ 114,300	\$ 127,062	\$ 12,762
Total fines and forfeitures	\$ 114,300	\$ 114,300	\$ 127,062	\$ 12,762
Revenue from use of money and property:				
Revenue from use of money	\$ 175,000	\$ 175,000	\$ 24,991	\$ (150,009)
Revenue from use of property	254,109	254,109	260,600	6,491
Total revenue from use of money and property	\$ 429,109	\$ 429,109	\$ 285,591	\$ (143,518)
Charges for services:				
Excess fees of clerk	\$ 50,000	\$ 50,000	\$ 10,099	\$ (39,901)
Charges for law enforcement and traffic control	145,943	145,943	4,898	(141,045)
Charges for circuit court	21,800	21,800	19,343	(2,457)
Charges for courthouse security	55,000	55,000	54,917	(83)
Charges for Commonwealth's Attorney	900	900	678	(222)

COUNTY OF POWHATAN, VIRGINIA

Schedule 1

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Charges for services: (continued)				
Charges for other protection	\$ 12,821	\$ 12,821	\$ 6,324	\$ (6,497)
Charges for law library	1,500	1,500	2,930	1,430
Charges for sanitation and waste removal	41,500	41,500	41,969	469
Charges for parks and recreation	-	7,971	7,971	-
Charges for library	9,075	9,075	14,840	5,765
Charges for sale of publications and maps	1,100	1,100	1,663	563
Total charges for services	\$ 339,639	\$ 347,610	\$ 165,632	\$ (181,978)
Miscellaneous revenue:				
Miscellaneous	\$ 116,400	\$ 235,666	\$ 175,989	\$ (59,677)
Total miscellaneous revenue	\$ 116,400	\$ 235,666	\$ 175,989	\$ (59,677)
Total revenue from local sources	\$ 40,532,105	\$ 38,202,830	\$ 37,692,924	\$ (509,906)
<b>Revenue from the Commonwealth:</b>				
Noncategorical aid:				
Rolling stock tax	\$ 9,000	\$ 9,000	\$ 335	\$ (8,665)
Mobile home titling tax	20,000	20,000	8,808	(11,192)
Motor vehicle rental tax	17,000	17,000	15,621	(1,379)
State recordation tax	105,000	105,000	182,340	77,340
Personal property tax relief funds	-	3,022,472	3,022,472	-
Reduction in state aid to local governments	-	-	(100,743)	(100,743)
Total noncategorical aid	\$ 151,000	\$ 3,173,472	\$ 3,128,833	\$ (44,639)
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 180,419	\$ 180,419	\$ 177,361	\$ (3,058)
Sheriff	1,257,322	1,257,322	1,064,756	(192,566)
Commissioner of revenue	112,598	112,598	114,803	2,205
Treasurer	112,794	112,794	121,436	8,642
Registrar/electoral board	65,000	65,000	47,322	(17,678)
Clerk of the Circuit Court	207,413	207,413	223,775	16,362
Total shared expenses	\$ 1,935,546	\$ 1,935,546	\$ 1,749,453	\$ (186,093)
Other categorical aid:				
Public assistance and welfare administration	\$ 379,527	\$ 379,527	\$ 354,844	\$ (24,683)
Two for life grant	45,000	45,000	26,835	(18,165)
E-911 grants	-	421,400	421,400	-
Criminal justice grant	-	-	1,016	1,016
Abandoned vehicles	-	1,500	2,350	850
Comprehensive services act	785,000	815,000	713,183	(101,817)

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Revenue from the Commonwealth: (Continued)				
Other categorical aid: (Continued)				
E-911 wireless	\$ 50,000	\$ 50,000	\$ 45,002	\$ (4,998)
Spay/neuter funds	-	-	217	217
Library grants	93,418	93,418	86,508	(6,910)
Victim-witness grant	50,000	50,000	26,558	(23,442)
Fire programs	65,000	65,000	61,781	(3,219)
VJCCA	11,000	11,000	10,962	(38)
Litter control	4,000	4,000	7,086	3,086
DMV animal friendly plates	800	800	836	36
Other state funds	-	-	20,618	20,618
Total other categorical aid	\$ 1,483,745	\$ 1,936,645	\$ 1,779,196	\$ (157,449)
Total categorical aid	\$ 3,419,291	\$ 3,872,191	\$ 3,528,649	\$ (343,542)
Total revenue from the Commonwealth	\$ 3,570,291	\$ 7,045,663	\$ 6,657,482	\$ (388,181)
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 883,044	\$ 883,044	\$ 714,481	\$ (168,563)
Emergency management assistance	6,000	6,000	5,000	(1,000)
Sheriff JAG Grant	-	-	57,087	57,087
DMV grant	-	-	5,430	5,430
CSBG (PCCAA)	-	127,209	127,209	-
Domestic violence grant	-	-	10,938	10,938
Total categorical aid	\$ 889,044	\$ 1,016,253	\$ 920,145	\$ (96,108)
Total revenue from the federal government	\$ 889,044	\$ 1,016,253	\$ 920,145	\$ (96,108)
Total General Fund	\$ 44,991,440	\$ 46,264,746	\$ 45,270,551	\$ (994,195)
<b>Special Revenue Funds:</b>				
<b>Cash Proffers Fund:</b>				
Permits, privilege fees and regulatory licenses:				
Cash proffers	\$ 75,000	\$ 75,000	\$ 112,649	\$ 37,649
Total permits, privilege fees, and regulatory licenses	\$ 75,000	\$ 75,000	\$ 112,649	\$ 37,649
Total revenue from local sources	\$ 75,000	\$ 75,000	\$ 112,649	\$ 37,649
Total Cash Proffers Fund	\$ 75,000	\$ 75,000	\$ 112,649	\$ 37,649

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Special Revenue Funds: (Continued)</b>				
<b>Drug Taskforce Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 7	\$ 7
Total revenue from use of money and property	\$ -	\$ -	\$ 7	\$ 7
Total revenue from local sources	\$ -	\$ -	\$ 7	\$ 7
Revenue from the Commonwealth:				
Categorical aid:				
Forfeited assets	\$ -	\$ -	\$ 2,105	\$ 2,105
Total categorical aid	\$ -	\$ -	\$ 2,105	\$ 2,105
Total revenue from the Commonwealth	\$ -	\$ -	\$ 2,105	\$ 2,105
Total Drug Taskforce Fund	\$ -	\$ -	\$ 2,112	\$ 2,112
<b>Grants Fund:</b>				
Miscellaneous revenue:				
Altria Corp grant	\$ -	\$ 15,000	\$ 15,000	\$ -
Chesterfield County grant	-	104,881	98,969	(5,912)
Total miscellaneous revenue	\$ -	\$ 119,881	\$ 113,969	\$ (5,912)
Revenue from the Commonwealth:				
Categorical aid:				
EMS grant	\$ -	\$ 5,848	\$ 5,848	\$ -
Triad funds	-	1,777	1,777	-
UASI grant	-	3,750	-	(3,750)
PPE Masks grant	-	1,740	1,740	-
Fire prevention safety grant	-	1,800	1,800	-
Citizen prepared training supply	-	12,627	-	(12,627)
Va urban sec initiative	-	1,444	-	(1,444)
Emergency performance grant	-	11,250	-	(11,250)
Citizen corp prepared training 09	-	7,500	-	(7,500)
Total categorical aid	\$ -	\$ 47,736	\$ 11,165	\$ (36,571)
Total revenue from the Commonwealth	\$ -	\$ 47,736	\$ 11,165	\$ (36,571)
Revenue from the federal government:				
Categorical aid:				
EMS grant	\$ -	\$ 25,550	\$ 25,550	\$ -
Emergency operations UASI	-	-	3,562	3,562
Sheriff grants	-	383,057	101,438	(281,619)
Total categorical aid	\$ -	\$ 408,607	\$ 130,550	\$ (278,057)
Total revenue from the federal government	\$ -	\$ 408,607	\$ 130,550	\$ (278,057)
Total Grants Fund	\$ -	\$ 576,224	\$ 255,684	\$ (320,540)

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Capital Projects Funds:</b>				
<b>County Capital Projects Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 9,748	\$ 9,748
Total revenue from use of money and property	\$ -	\$ -	\$ 9,748	\$ 9,748
Total revenue from local sources	\$ -	\$ -	\$ 9,748	\$ 9,748
Total County Capital Projects Fund	\$ -	\$ -	\$ 9,748	\$ 9,748
Total Primary Government	\$ 45,066,440	\$ 46,915,970	\$ 45,650,744	\$ (1,265,226)
<b>Discretely Presented Component Unit-School Board:</b>				
<b>School Operating Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 754	\$ 754
Revenue from the use of property	-	-	36,350	36,350
Total revenue from use of money and property	\$ -	\$ -	\$ 37,104	\$ 37,104
Miscellaneous revenue:				
Other miscellaneous	\$ 350,550	\$ 350,550	\$ 251,349	\$ (99,201)
Total miscellaneous revenue	\$ 350,550	\$ 350,550	\$ 251,349	\$ (99,201)
Total revenue from local sources	\$ 350,550	\$ 350,550	\$ 288,453	\$ (62,097)
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Powhatan, Virginia	\$ 18,874,657	\$ 18,874,657	\$ 18,858,660	\$ (15,997)
Total revenues from local governments	\$ 18,874,657	\$ 18,874,657	\$ 18,858,660	\$ (15,997)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 4,094,411	\$ 4,094,411	\$ 3,907,349	\$ (187,062)
Basic school aid	12,905,056	12,905,056	11,810,383	(1,094,673)
ISAP	15,717	15,717	15,717	-
Remedial summer education	62,218	62,218	57,877	(4,341)
Regular foster care	12,425	12,425	15,242	2,817
Gifted and talented	124,355	124,355	123,635	(720)
Remedial education	82,353	82,353	82,424	71
English as a second language	27,982	27,982	12,063	(15,919)
Special education	1,498,824	1,498,824	1,500,109	1,285
Vocational education	189,412	189,412	242,831	53,419
Social security fringe benefits	682,572	682,572	678,621	(3,951)
Retirement fringe benefits	881,541	881,541	656,641	(224,900)
Group life insurance fringe benefits	24,871	24,871	16,485	(8,386)
Early reading intervention	45,727	45,727	51,443	5,716
Homebound education	36,972	36,972	24,803	(12,169)

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Discretely Presented Component Unit-School Board: (Continued)</b>				
<b>School Operating Fund: (Continued)</b>				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other state funds	\$ 1,558	\$ 1,558	\$ 2,225	\$ 667
Special education - foster children	-	-	32,488	32,488
Project graduation	-	-	11,207	11,207
Textbook payments	327,524	327,524	-	(327,524)
At risk payments	18,313	18,313	17,959	(354)
At risk four year olds	22,356	22,356	22,356	-
Technology	258,000	258,000	232,382	(25,618)
Standards of Learning algebra readiness	11,677	11,677	11,677	-
Alternative education	158,139	158,139	153,749	(4,390)
School construction grant	307,502	307,502	317,193	9,691
Certified teachers	-	-	2,500	2,500
Total categorical aid	<u>\$ 21,789,505</u>	<u>\$ 21,789,505</u>	<u>\$ 19,999,359</u>	<u>\$ (1,790,146)</u>
Total revenue from the Commonwealth	<u>\$ 21,789,505</u>	<u>\$ 21,789,505</u>	<u>\$ 19,999,359</u>	<u>\$ (1,790,146)</u>
Revenue from the federal government:				
Categorical aid:				
State fiscal stabilization funds	\$ 1,456,280	\$ 1,456,280	\$ 2,350,392	\$ 894,112
Title I	271,000	271,000	290,303	19,303
Title VI-B, special education flow-through	735,037	735,037	438,425	(296,612)
Vocational education	39,791	39,791	52,894	13,103
Title VI-B, special education preschool	22,000	22,000	43,416	21,416
Title VI-B, special education preschool-ARRA	30,638	30,638	-	(30,638)
Education technology grants	9,469	9,469	7,527	(1,942)
Title II, Part A	97,392	97,392	84,322	(13,070)
Education technology grants - ARRA	-	-	3,430	3,430
Title VI-B, special education flow-through - ARRA	916,740	916,740	478,874	(437,866)
Title I - ARRA	180,920	180,920	91,365	(89,555)
Drug free school	9,000	9,000	12,581	3,581
Language acquisition	22,266	22,266	18,444	(3,822)
ROTC	63,000	63,000	66,626	3,626
High schools that work	-	-	10,250	10,250
Total categorical aid	<u>\$ 3,853,533</u>	<u>\$ 3,853,533</u>	<u>\$ 3,948,849</u>	<u>\$ 95,316</u>
Total revenue from the federal government	<u>\$ 3,853,533</u>	<u>\$ 3,853,533</u>	<u>\$ 3,948,849</u>	<u>\$ 95,316</u>
Total School Operating Fund	<u>\$ 44,868,245</u>	<u>\$ 44,868,245</u>	<u>\$ 43,095,321</u>	<u>\$ (1,772,924)</u>

## Schedule of Revenues - Budget and Actual

## Governmental Funds

For The Year Ended June 30, 2010 (Continued)

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Discretely Presented Component Unit-School Board: (Continued)</b>				
<b>School Cafeteria Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 20,076	\$ 20,076	\$ 767	\$ (19,309)
Total revenue from use of money and property	\$ 20,076	\$ 20,076	\$ 767	\$ (19,309)
Charges for services:				
Cafeteria sales	\$ 887,069	\$ 887,069	\$ 823,228	\$ (63,841)
Total charges for services	\$ 887,069	\$ 887,069	\$ 823,228	\$ (63,841)
Total revenue from local sources	\$ 907,145	\$ 907,145	\$ 823,995	\$ (83,150)
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 17,420	\$ 17,420	\$ 18,809	\$ 1,389
Total categorical aid	\$ 17,420	\$ 17,420	\$ 18,809	\$ 1,389
Total revenue from the Commonwealth	\$ 17,420	\$ 17,420	\$ 18,809	\$ 1,389
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 266,366	\$ 266,366	\$ 356,796	\$ 90,430
Commodities	-	-	52,296	52,296
Total categorical aid	\$ 266,366	\$ 266,366	\$ 409,092	\$ 142,726
Total revenue from the federal government	\$ 266,366	\$ 266,366	\$ 409,092	\$ 142,726
Total School Cafeteria Fund	\$ 1,190,931	\$ 1,190,931	\$ 1,251,896	\$ 60,965
Total Discretely Presented Component Unit - School Board	\$ 46,059,176	\$ 46,059,176	\$ 44,347,217	\$ (1,711,959)

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

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 117,240	\$ 117,240	\$ 112,938	\$ 4,302
General and financial administration:				
County administrator	\$ 336,072	\$ 291,073	\$ 276,841	\$ 14,232
Legal services	165,720	172,720	171,744	976
GIS coordinator	119,671	119,672	100,712	18,960
Commissioner of revenue	435,968	439,258	438,297	961
Reassessment	150,000	220,000	215,696	4,304
Treasurer	488,383	488,384	468,904	19,480
Finance	545,951	620,952	618,545	2,407
Data Processing	86,920	164,487	149,142	15,345
Personnel	75,000	17,000	16,120	880
Other general and financial administration	15,300	79,800	68,624	11,176
Total general and financial administration	\$ 2,418,985	\$ 2,613,346	\$ 2,524,625	\$ 88,721
Board of elections:				
Electoral board and officials	\$ 139,910	\$ 139,310	\$ 110,644	\$ 28,666
Total board of elections	\$ 139,910	\$ 139,310	\$ 110,644	\$ 28,666
Total general government administration	\$ 2,676,135	\$ 2,869,896	\$ 2,748,207	\$ 121,689
Judicial administration:				
Courts:				
Circuit court	\$ 25,232	\$ 25,232	\$ 17,558	\$ 7,674
General district court	24,269	24,269	16,864	7,405
Juvenile court service unit	33,462	33,462	18,624	14,838
Clerk of the circuit court	387,493	387,492	352,300	35,192
Victim and witness assistance	70,182	70,183	66,675	3,508
Total courts	\$ 540,638	\$ 540,638	\$ 472,021	\$ 68,617
Commonwealth's attorney:				
Commonwealth's attorney	\$ 342,616	\$ 359,035	\$ 355,512	\$ 3,523
Total commonwealth's attorney	\$ 342,616	\$ 359,035	\$ 355,512	\$ 3,523
Total judicial administration	\$ 883,254	\$ 899,673	\$ 827,533	\$ 72,140
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 3,747,507	\$ 3,924,439	\$ 3,910,598	\$ 13,841
Total law enforcement and traffic control	\$ 3,747,507	\$ 3,924,439	\$ 3,910,598	\$ 13,841

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

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Public safety: (Continued)				
Fire and rescue services:				
Volunteer fire department	\$ 669,402	\$ 786,863	\$ 773,618	\$ 13,245
Ambulance and rescue services	469,400	469,400	448,297	21,103
Total fire and rescue services	<u>\$ 1,138,802</u>	<u>\$ 1,256,263</u>	<u>\$ 1,221,915</u>	<u>\$ 34,348</u>
Correction and detention:				
Confinement and care of adult and juvenile prisoners	\$ 710,700	\$ 710,700	\$ 547,050	\$ 163,650
Total correction and detention	<u>\$ 710,700</u>	<u>\$ 710,700</u>	<u>\$ 547,050</u>	<u>\$ 163,650</u>
Inspections:				
Building	\$ 553,201	\$ 535,241	\$ 431,141	\$ 104,100
Total inspections	<u>\$ 553,201</u>	<u>\$ 535,241</u>	<u>\$ 431,141</u>	<u>\$ 104,100</u>
Other protection:				
Animal control	\$ 249,831	\$ 348,958	\$ 346,801	\$ 2,157
Emergency services	269,432	226,439	226,921	(482)
Emergency planning commission	2,400	2,400	1,152	1,248
Medical examiner	2,000	2,000	1,606	394
Total other protection	<u>\$ 523,663</u>	<u>\$ 579,797</u>	<u>\$ 576,480</u>	<u>\$ 3,317</u>
Total public safety	<u>\$ 6,673,873</u>	<u>\$ 7,006,440</u>	<u>\$ 6,687,184</u>	<u>\$ 319,256</u>
Public works:				
Sanitation and waste removal:				
Refuse collection and disposal	\$ 777,206	\$ 777,206	\$ 678,859	\$ 98,347
Total sanitation and waste removal	<u>\$ 777,206</u>	<u>\$ 777,206</u>	<u>\$ 678,859</u>	<u>\$ 98,347</u>
Maintenance of general buildings and grounds:				
General properties	\$ 821,287	\$ 983,644	\$ 975,336	\$ 8,308
Total maintenance of general buildings and grounds	<u>\$ 821,287</u>	<u>\$ 983,644</u>	<u>\$ 975,336</u>	<u>\$ 8,308</u>
Total public works	<u>\$ 1,598,493</u>	<u>\$ 1,760,850</u>	<u>\$ 1,654,195</u>	<u>\$ 106,655</u>
Health and welfare:				
Health:				
Supplement of local health department	\$ 215,000	\$ 215,000	\$ 189,276	\$ 25,724
Total health	<u>\$ 215,000</u>	<u>\$ 215,000</u>	<u>\$ 189,276</u>	<u>\$ 25,724</u>
Mental health and mental retardation:				
Community services board	\$ 274,530	\$ 274,530	\$ 273,199	\$ 1,331
Total mental health and mental retardation	<u>\$ 274,530</u>	<u>\$ 274,530</u>	<u>\$ 273,199</u>	<u>\$ 1,331</u>

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

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Health and welfare: (Continued)				
Welfare:				
Public assistance and welfare administration	\$ 1,633,600	\$ 1,633,600	\$ 1,566,247	\$ 67,353
Free clinic	-	43,323	43,323	-
Comprehensive services act	1,025,095	1,484,095	1,476,072	8,023
Powhatan community action agency	-	149,415	134,558	14,857
Tax relief for the elderly	-	285,960	285,960	-
Total welfare	<u>\$ 2,658,695</u>	<u>\$ 3,596,393</u>	<u>\$ 3,506,160</u>	<u>\$ 90,233</u>
Total health and welfare	<u>\$ 3,148,225</u>	<u>\$ 4,085,923</u>	<u>\$ 3,968,635</u>	<u>\$ 117,288</u>
Education:				
Other instructional costs:				
Contribution to County School Board	\$ 18,874,657	\$ 18,874,657	\$ 18,858,660	\$ 15,997
Total education	<u>\$ 18,874,657</u>	<u>\$ 18,874,657</u>	<u>\$ 18,858,660</u>	<u>\$ 15,997</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Recreation centers and playgrounds	\$ 284,140	\$ 389,140	\$ 384,551	\$ 4,589
Total parks and recreation	<u>\$ 284,140</u>	<u>\$ 389,140</u>	<u>\$ 384,551</u>	<u>\$ 4,589</u>
Library:				
Contribution to County library	\$ 338,415	\$ 368,881	\$ 321,422	\$ 47,459
Total library	<u>\$ 338,415</u>	<u>\$ 368,881</u>	<u>\$ 321,422</u>	<u>\$ 47,459</u>
Total parks, recreation, and cultural	<u>\$ 622,555</u>	<u>\$ 758,021</u>	<u>\$ 705,973</u>	<u>\$ 52,048</u>
Community development:				
Planning and community development:				
Planning and zoning	\$ 522,720	\$ 516,069	\$ 503,170	\$ 12,899
Planning commission	-	1,000	990	10
Miscellaneous contributions	480,973	475,284	312,060	163,224
Economic development	202,633	207,633	205,288	2,345
Comprehensive plan	-	43,700	44,644	(944)
Total planning and community development	<u>\$ 1,206,326</u>	<u>\$ 1,243,686</u>	<u>\$ 1,066,152</u>	<u>\$ 177,534</u>
Environmental management:				
Litter control	\$ 4,000	\$ 4,000	\$ 8,298	\$ (4,298)
Total environmental management	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 8,298</u>	<u>\$ (4,298)</u>
Cooperative extension program:				
Extension office	\$ 61,626	\$ 61,626	\$ 46,473	\$ 15,153
Total cooperative extension program	<u>\$ 61,626</u>	<u>\$ 61,626</u>	<u>\$ 46,473</u>	<u>\$ 15,153</u>
Total community development	<u>\$ 1,271,952</u>	<u>\$ 1,309,312</u>	<u>\$ 1,120,923</u>	<u>\$ 188,389</u>
Total General Fund	<u>\$ 35,749,144</u>	<u>\$ 37,564,772</u>	<u>\$ 36,571,310</u>	<u>\$ 993,462</u>

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

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Special Revenue Funds:</b>				
<b>Cash Proffers Fund:</b>				
Current:				
Community development	\$ 75,000	\$ 75,000	\$ -	\$ 75,000
Total community development	\$ 75,000	\$ 75,000	\$ -	\$ 75,000
Total Cash Proffers Fund	\$ 75,000	\$ 75,000	\$ -	\$ 75,000
<b>Grants Fund:</b>				
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ -	\$ 578,857	\$ 288,335	\$ 290,522
Fire and rescue services:				
Fire protection grant	-	2,000	2,000	-
Other Protection:				
Emergency services	-	583,572	461,417	122,155
Total public safety	\$ -	\$ 1,164,429	\$ 751,752	\$ 412,677
Total Grants Fund	\$ -	\$ 1,164,429	\$ 751,752	\$ 412,677
<b>Debt Service Fund:</b>				
<b>Debt Service Fund:</b>				
Debt service:				
Principal retirement	\$ 4,478,833	\$ 3,922,627	\$ 2,991,861	\$ 930,766
Interest and other fiscal charges	2,635,184	5,005,620	5,464,072	(458,452)
Total Debt Service Fund	\$ 7,114,017	\$ 8,928,247	\$ 8,455,933	\$ 472,314
<b>Capital Projects Funds:</b>				
<b>County Capital Projects Fund:</b>				
Capital projects expenditures:				
County capital projects	\$ 900,000	\$ 1,014,158	\$ 114,158	\$ 900,000
Elementary school construction	-	303,642	297,406	6,236
Sheriff	-	78,048	78,047	1
GIS upgrades	-	21,965	21,965	-
Parks and recreation	-	456,448	456,448	-
Fire and Rescue	-	326,404	326,403	1
Planning	-	7,244	7,243	1
Total capital projects	\$ 900,000	\$ 2,207,909	\$ 1,301,670	\$ 906,239
Total County Capital Projects Fund	\$ 900,000	\$ 2,207,909	\$ 1,301,670	\$ 906,239
Total Primary Government	\$ 43,838,161	\$ 48,775,928	\$ 47,080,665	\$ 2,447,015

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

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Discretely Presented Component Unit-School Board:</b>				
<b>School Operating Fund:</b>				
Education:				
Administration of schools:				
Administration, health and attendance	\$ 2,232,431	\$ 2,232,431	\$ 2,344,756	\$ (112,325)
Total administration of schools	<u>\$ 2,232,431</u>	<u>\$ 2,232,431</u>	<u>\$ 2,344,756</u>	<u>\$ (112,325)</u>
Instruction costs:				
Elementary and secondary schools	\$ 34,758,455	\$ 34,758,455	\$ 33,062,243	\$ 1,696,212
Total instruction costs	<u>\$ 34,758,455</u>	<u>\$ 34,758,455</u>	<u>\$ 33,062,243</u>	<u>\$ 1,696,212</u>
Operating costs:				
Pupil transportation	\$ 3,295,583	\$ 3,295,583	\$ 3,300,854	\$ (5,271)
Operation and maintenance of school plant	4,168,697	4,168,697	4,063,855	104,842
Facilities	178,079	178,079	163,613	14,466
Total operating costs	<u>\$ 7,642,359</u>	<u>\$ 7,642,359</u>	<u>\$ 7,528,322</u>	<u>\$ 114,037</u>
Total education	<u>\$ 44,633,245</u>	<u>\$ 44,633,245</u>	<u>\$ 42,935,321</u>	<u>\$ 1,697,924</u>
Total School Operating Fund	<u>\$ 44,633,245</u>	<u>\$ 44,633,245</u>	<u>\$ 42,935,321</u>	<u>\$ 1,697,924</u>
<b>Cafeteria Fund:</b>				
Education:				
School food services:				
Administration of school food program	\$ 1,425,931	\$ 1,425,931	\$ 1,358,428	\$ 67,503
Commodities	-	-	52,296	(52,296)
Total school food services	<u>\$ 1,425,931</u>	<u>\$ 1,425,931</u>	<u>\$ 1,410,724</u>	<u>\$ 15,207</u>
Total Cafeteria Fund	<u>\$ 1,425,931</u>	<u>\$ 1,425,931</u>	<u>\$ 1,410,724</u>	<u>\$ 15,207</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 46,059,176</u>	<u>\$ 46,059,176</u>	<u>\$ 44,346,045</u>	<u>\$ 1,713,131</u>

## *STATISTICAL SECTION*

Net Assets By Component  
 Last Seven Fiscal Years (1)  
*(accrual basis of accounting)*

	Fiscal Year (1)						
	2004	2005	2006	2007	2008	2009	2010
<b>Governmental activities</b>							
Invested in capital assets, net of related debt	\$ (1,495,847)	\$ (312,802)	\$ (433,831)	\$ (2,077,532)	\$ 6,800,978	\$ 5,822,208	\$ 3,108,524
Restricted	175,613	175,600	183,375	703,270	-	2,872,925	2,247,827
Unrestricted	6,589,802	2,471,548	4,930,463	6,503,770	8,130,076	11,923,982	12,504,235
Total governmental activities net assets	\$ 5,269,568	\$ 2,334,346	\$ 4,680,007	\$ 5,129,508	\$ 8,130,076	\$ 20,619,115	\$ 17,860,586
<b>Business-type activities</b>							
Invested in capital assets, net of related debt	\$ 113,192	\$ 489,281	\$ 466,750	\$ 740,893	\$ 988,765	\$ 8,280	\$ (3,521,073)
Restricted	-	-	-	-	-	659,417	3,955,505
Unrestricted	(20,364)	(50,411)	12,223	584,047	(357,101)	(315,163)	(364,821)
Total business-type activities net assets	\$ 92,828	\$ 438,870	\$ 478,973	\$ 1,324,940	\$ 631,664	\$ 352,534	\$ 69,611
<b>Primary government</b>							
Invested in capital assets, net of related debt	\$ (1,382,655)	\$ 176,479	\$ 32,919	\$ (1,336,639)	\$ 7,789,743	\$ 5,830,488	\$ (412,549)
Restricted	175,613	175,600	183,375	703,270	-	3,532,342	6,203,332
Unrestricted	6,569,438	2,421,137	4,942,686	7,087,812	7,772,975	11,608,819	12,139,414
Total primary government net assets	\$ 5,362,396	\$ 2,773,216	\$ 5,158,980	\$ 6,454,443	\$ 7,772,975	\$ 20,971,649	\$ 17,930,197

(1) Data is presented from fiscal year 2004 when the County implemented GASB Statement 34. Ultimate this schedule will contain information for the last ten fiscal years.

County of Powhatan, Virginia

Table 2  
Page 1 of 2

Changes in Net Assets  
Last Seven Fiscal Years (1)  
(accrual basis of accounting)

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
Expenses							
Governmental activities:							
General government administration	\$ 1,787,431	\$ 1,984,827	\$ 2,025,903	\$ 2,833,694	\$ 2,775,228	\$ 2,638,534	\$ 3,037,073
Judicial administration	700,764	756,467	848,456	825,264	899,447	927,087	918,457
Public safety	4,786,985	5,315,849	5,471,018	6,879,758	6,183,603	6,447,677	8,279,412
Public works	2,645,045	1,269,780	1,269,089	1,369,439	1,483,256	1,810,485	1,667,630
Health and welfare	2,895,147	2,980,608	2,636,097	2,874,055	3,595,287	3,877,527	3,987,693
Community Development	467,730	665,529	990,416	1,308,891	1,062,187	1,150,019	1,105,611
Parks, recreation and cultural	366,387	509,133	442,389	620,523	669,198	685,229	1,285,484
Education	23,124,392	17,837,779	18,563,308	20,994,467	15,291,269	22,231,269	21,349,126
Interest and other fiscal charges	3,393,686	2,951,337	2,527,013	3,544,707	4,042,302	3,812,451	5,137,838
Total governmental activities expenses	\$ 40,167,567	\$ 34,271,309	\$ 34,773,689	\$ 41,250,798	\$ 36,001,777	\$ 43,580,278	\$ 46,768,324
Business-type activities:							
Water and Sewer	\$ 804,581	\$ 1,380,081	\$ 1,302,336	\$ 1,448,355	\$ 1,754,087	\$ 2,069,053	\$ 2,118,030
Total business-type activities	\$ 804,581	\$ 1,380,081	\$ 1,302,336	\$ 1,448,355	\$ 1,754,087	\$ 2,069,053	\$ 2,118,030
Total primary government expenses	\$ 40,972,148	\$ 35,651,390	\$ 36,076,025	\$ 42,699,153	\$ 37,755,864	\$ 45,649,331	\$ 48,886,354
Program Revenues							
Governmental activities:							
Charges for services:							
Judicial administration	\$ 99,507	\$ 91,626	\$ 16,432	\$ 17,235	\$ 234,921	\$ 193,521	\$ 160,112
Public safety	1,490,741	1,975,238	1,957,822	1,488,691	1,175,168	432,876	381,483
Public works	62,474	39,357	32,194	34,808	34,833	35,317	41,969
Parks, recreation and cultural	-	-	-	-	10,454	15,032	22,811
Community development	3,677	4,265	2,550	1,559	988	108,330	114,312
Operating grants and contributions	4,249,539	3,490,004	3,754,909	3,841,054	4,035,013	5,243,531	4,592,614
Total governmental activities program revenues	\$ 5,905,938	\$ 5,600,490	\$ 5,763,907	\$ 5,383,347	\$ 5,491,377	\$ 6,028,607	\$ 5,313,301
Business-type activities:							
Charges for services:							
Water and Sewer	\$ 95,400	\$ 284,229	\$ 271,762	\$ 180,470	\$ 356,611	\$ 220,726	\$ 243,081
Total business-type activities	\$ 95,400	\$ 284,229	\$ 271,762	\$ 180,470	\$ 356,611	\$ 220,726	\$ 243,081
Total primary government program revenues	\$ 6,001,338	\$ 5,884,719	\$ 6,035,669	\$ 5,563,817	\$ 5,847,988	\$ 6,249,333	\$ 5,556,382

County of Powhatan, Virginia

Table 2  
Page 2 of 2

Changes in Net Assets  
Last Seven Fiscal Years  
(accrual basis of accounting)

	Fiscal Year (1)						
	2004	2005	2006	2007	2008	2009	2010
Governmental activities	\$ (34,261,529)	\$ (28,670,819)	\$ (29,009,782)	\$ (35,867,451)	\$ (30,510,400)	\$ (37,551,671)	\$ (41,455,023)
Business-type activities	(709,181)	(1,095,852)	(1,030,574)	(1,267,885)	(1,397,576)	(1,848,327)	(1,874,949)
Total primary government net expense	\$ (34,970,710)	\$ (29,766,671)	\$ (30,040,356)	\$ (37,135,336)	\$ (31,907,976)	\$ (39,399,998)	\$ (43,329,972)
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes:							
Property taxes	\$ 18,595,346	\$ 19,256,954	\$ 23,740,100	\$ 28,285,549	\$ 30,584,211	\$ 33,161,709	\$ 32,536,675
Other local taxes	3,639,140	4,200,539	4,626,430	4,611,442	4,722,351	4,568,552	4,723,134
Investment Earnings	575,156	336,543	465,542	1,122,911	1,584,750	511,317	295,346
Miscellaneous	104,682	229,927	63,101	152,012	150,910	155,546	289,958
Non-categorical aid from the	3,077,448	3,107,374	3,509,778	3,400,784	3,227,880	3,159,907	3,128,833
Payment from Powhatan County School	1,483,365	-	-	-	-	1,000,000	-
Gain/loss on disposal of capital assets	(18,856)	-	-	-	-	-	-
Transfers	(590,500)	(1,441,894)	(1,049,508)	(1,860,452)	(1,156,403)	(1,533,352)	(1,582,488)
Total governmental activities	\$ 26,865,781	\$ 25,689,443	\$ 31,355,443	\$ 35,712,246	\$ 39,113,699	\$ 41,023,679	\$ 39,391,458
Business-type activities:							
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ 116,752	\$ 35,845	\$ 9,538
Miscellaneous	-	-	21,169	253,399	-	-	-
Transfers	590,500	1,441,894	1,049,508	1,860,452	1,156,403	1,533,352	1,582,488
Total business-type activities	\$ 590,500	\$ 1,441,894	\$ 1,070,677	\$ 2,113,851	\$ 1,273,155	\$ 1,569,197	\$ 1,592,026
Total primary government	\$ 27,456,281	\$ 27,131,337	\$ 32,426,120	\$ 37,826,097	\$ 40,386,854	\$ 42,592,876	\$ 40,983,484
Change in Net Assets							
Governmental activities	\$ (7,395,748)	\$ (2,981,376)	\$ 2,345,661	\$ (155,205)	\$ 8,603,299	\$ 3,472,008	\$ (2,063,565)
Business-type activities	(118,681)	346,041	40,103	845,966	(124,321)	(279,130)	(282,923)
Total primary government	\$ (7,514,429)	\$ (2,635,335)	\$ 2,385,764	\$ 690,761	\$ 8,478,978	\$ 3,192,878	\$ (2,346,488)

(1) Data is presented from fiscal year 2004 when the County implemented GASB Statement 34. Ultimate this schedule will contain information for the last ten fiscal years.

County of Powhatan, Virginia

Table 3

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

	Fiscal Year (1)						
	2004	2005	2006	2007	2008	2009	2010
General Fund							
Reserved	\$ 175,613	\$ 175,600	\$ 183,375	\$ 191,616	\$ 228,964	\$ 228,964	\$ 917,357
Unreserved	3,855,377	3,473,747	5,441,807	7,736,649	9,957,288	11,571,639	10,662,980
Total General Fund	\$ 4,030,990	\$ 3,649,347	\$ 5,625,182	\$ 7,928,265	\$ 10,186,252	\$ 11,800,603	\$ 11,580,337
All other governmental funds:							
Reserved for construction	\$ 2,543,431	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:							
Special revenue funds	882,500	36,180	40,070	21,391	360,819	466,256	631,950
Capital projects funds	-	1,730,453	516,363	28,825,353	11,656,846	2,872,925	2,247,827
Debt service funds	-	-	64,514	67,546	326,024	418,269	371,697
Total all other governmental funds	\$ 3,425,931	\$ 1,766,633	\$ 620,947	\$ 28,914,290	\$ 12,343,689	\$ 3,757,450	\$ 3,251,474

(1) Data is presented from fiscal year 2004, consistent with earlier schedules from when the County implemented GASB Statement 34. Ultimately this schedule will contain information for the last ten years.

Changes in Fund Balances of Governmental Funds  
Last Seven Fiscal Years (1)  
(modified accrual basis of accounting)

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>							
General property taxes	\$ 18,282,153	\$ 19,697,524	\$ 23,596,072	\$ 27,648,550	\$ 30,214,857	\$ 32,997,434	\$ 31,900,172
Other local taxes	3,639,140	4,200,539	4,626,430	4,611,442	4,722,351	4,568,552	4,723,134
Permits, privilege fees and regulatory licenses	1,419,230	1,850,553	1,792,094	1,349,708	1,168,129	534,581	427,993
Fines and forfeitures	62,073	88,926	126,579	109,296	104,046	102,855	127,062
Revenue from use of money and property	293,384	336,543	465,542	1,122,917	1,584,750	511,317	295,346
Charges for services	175,096	171,007	90,325	83,289	184,189	147,640	165,632
Miscellaneous	104,682	229,927	62,323	170,012	150,910	155,546	289,958
Recovered costs	44,672	7,166	4,444	-	-	-	-
Intergovernmental:							
Powhatan County School Board	216,228	-	-	-	1,000,000	1,000,000	-
Commonwealth	5,926,797	5,716,609	6,336,911	6,395,488	6,588,235	7,650,636	6,870,752
Federal	1,183,962	873,603	924,110	846,350	674,658	752,802	1,050,695
Total revenues	\$ 31,347,417	\$ 33,172,397	\$ 38,024,830	\$ 42,337,052	\$ 46,392,125	\$ 48,421,363	\$ 45,650,744
<b>Expenditures</b>							
<b>Current:</b>							
General government administration	\$1,642,493	\$1,786,534	\$1,828,705	\$2,147,176	\$2,505,817	\$2,584,545	\$2,748,207
Judicial administration	641,242	657,547	675,549	731,599	818,151	825,856	827,533
Public safety	3,913,552	4,829,784	5,122,228	5,633,996	5,804,861	6,265,502	7,438,936
Public works	1,139,915	1,212,560	1,237,194	1,342,691	1,463,242	1,615,155	1,654,195
Health and welfare	2,900,027	2,951,067	2,627,419	2,865,377	3,588,097	3,833,172	3,968,635
Education	13,961,271	14,384,260	16,596,361	18,054,171	19,726,481	20,285,490	18,858,660
Community development	464,902	651,142	981,493	1,297,844	1,082,283	1,129,156	1,120,923
Parks, recreation and cultural	298,950	423,294	348,495	524,268	612,523	501,285	705,973
Capital projects	8,798,531	1,421,839	2,064,983	2,894,148	18,126,989	9,280,459	1,301,670
Debt service							
Principal	3,277,302	3,507,537	2,705,381	3,989,966	2,660,157	3,817,452	2,991,861
Interest and other fiscal charges	3,115,234	2,865,852	2,743,365	2,689,419	3,680,641	3,871,483	5,464,072
Total expenditures	\$40,153,419	\$34,691,416	\$36,931,173	\$42,170,655	\$60,069,242	\$54,009,555	\$47,080,665
Excess (deficiency) of revenues over (under) expenditures	\$ (8,806,002)	\$ (1,519,019)	\$ 1,093,657	\$ 166,397	\$ (13,677,117)	\$ (5,588,192)	\$ (1,429,921)
<b>Other financing sources (uses)</b>							
Transfers in	\$ 5,374,442	\$ 6,304,694	\$ 5,866,664	\$ 6,974,552	\$ 4,945,322	\$ 5,972,955	\$ 7,337,019
Transfers out	(5,964,942)	(7,746,588)	(6,916,172)	(8,835,004)	(6,101,725)	(7,506,307)	(8,919,507)
Issuance of bonds	3,770,000	1,421,250	786,000	32,090,483	-	6,350,705	29,985,623
Sale of capital assets	244,644	-	-	-	-	-	-
Bond issuance premium	281,772	-	-	-	-	149,656	1,503,439
Redemption of refunded bonds	(4,030,000)	-	-	-	-	(6,350,705)	(29,202,895)
Total other financing sources (uses)	\$ (324,084)	\$ (20,844)	\$ (263,508)	\$ 30,230,031	\$ (1,156,403)	\$ (1,383,696)	\$ 703,679
Net change in fund balances	\$ (9,130,086)	\$ (1,539,663)	\$ 830,149	\$ 30,596,426	\$ (14,833,520)	\$ (6,971,888)	\$ (726,242)
 Debt service as a percentage of noncapital expenditures	 20.40%	 19.20%	 15.60%	 17.01%	 15.12%	 17.50%	 18.19%

(1) Data is presented from fiscal year 2004, consistent with earlier schedules from when the County implemented GASB statement 34. Ultimately this schedule will contain information for the last ten fiscal years.

Principal Property Taxpayers  
Current Year and Nine Years Ago

Taxpayer	2010			2001*		
	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value	Rank	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value	Rank
Ranson, R.F. et al	\$ 15,461,600	0.49%	1			
Milhaus Corporation	14,098,800	0.34%	2			
FSGA Foudation, Inc.	13,565,200	0.34%	3			
Carnes, W.S. et al	12,784,900	0.25%	4			
South Creek Properties	10,289,700	0.23%	5			
Building Resource & Development Co.	8,317,000	0.22%	6			
Reeds Landing Corp.	7,681,900	0.21%	7			
Powhatan Shoppes at South Creek	7,373,800	0.20%	8			
Patterson Jr., S.H., et al	6,680,300	0.19%	9			
Central Virginia Bank	6,195,700	0.18%	10			
	<u>\$ 110,546,700</u>	<u>2.65%</u>				

Source: Powhatan County Commissioner of Revenue Department

\* Information unavailable

Table 6

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

Fiscal year	Taxes levied for the fiscal year (original levy)	Collected within the fiscal year of the levy			Total collections to date			
		Percentage of original levy		Amount	Collections in subsequent years	Amount	Percentage of adjusted levy	
		adjusted levy	adjustments					
2001	\$ 20,004,558	\$ 19,989,787	\$ (14,771)	\$ 19,469,671	97%	\$ 409,906	\$ 19,879,577	99%
2002	17,468,573	17,425,753	(42,820)	16,807,201	96%	351,027	17,158,228	98%
2003	19,698,877	19,643,113	(55,764)	19,469,671	99%	269,267	19,738,938	100%
2004	21,097,431	21,001,155	(96,276)	20,698,058	98%	51,975	20,750,033	98%
2005	22,268,830	22,193,420	(75,410)	21,850,974	98%	238,833	22,089,807	99%
2006	29,580,921	29,437,121	(143,800)	27,111,649	92%	152,679	29,527,424	100%
2007	31,585,348	31,445,924	(139,424)	28,514,942	90%	176,052	31,359,458	99%
2008	35,487,985	35,340,257	(147,728)	31,538,603	89%	682,089	34,805,896	98%
2009	35,081,398	35,019,784	(61,614)	32,918,597	94%	1,622,259	34,540,856	98%
2010	35,250,879	35,096,839	(\$154,040)	32,991,029	94%	-	32,991,029	94%

Source Treasurer's Office and Commissioner of the Revenue

County of Powhatan, Virginia

Table 7

Assessed and Estimated Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year	Less:		Total Taxable		Total Direct Tax Rate.(1)	Personal		Machinery & Tools	Public	
	Real Estate	Tax-Exempt Property (2)	Assessed Value Real Estate	Property and Mobile Homes		Service (3)	Total			
2010	\$ 3,760,019,650	\$ 303,159,400	\$ 3,456,860,250	\$ 0.77	\$ 209,704,422	\$ 11,481,930	\$ 90,368,639	\$ 3,768,415,241		
2009	4,094,870,500	305,328,100	3,789,542,400	0.71	200,805,327	12,038,975	79,349,688	4,081,736,390		
2008	4,039,940,795	303,703,000	3,736,237,795	0.71	221,817,492	12,881,925	85,387,310	4,056,324,522		
2007	3,336,617,700	264,199,500	3,072,418,200	0.74	205,593,900	6,846,780	77,407,080	3,362,265,960		
2006	3,175,599,603	94,650,003	3,080,949,600	0.74	189,217,425	6,413,240	53,726,749	3,330,307,014		
2005	1,802,205,800	107,452,000	1,694,753,800	0.94	163,925,399	6,742,835	62,731,911	1,928,153,945		
2004	1,666,033,793	108,276,800	1,557,756,993	0.95	156,587,616	6,608,050	68,979,389	1,789,932,048		
2003	1,569,853,586	110,321,700	1,459,531,886	0.92	143,556,624	6,916,815	69,989,205	1,679,994,530		
2002	1,287,319,739	114,295,800	1,173,023,939	0.87	137,497,368	6,749,115	56,440,033	1,373,710,455		
2001	1,276,926,870	162,447,100	1,114,479,770	0.87	141,085,216	6,995,764	55,606	1,262,616,356		

Source: Commissioner of Revenue Department

Notes:

Real property is the County's primary local source revenue. Assessment information also included above for other property taxes.

(1) Tax rate per \$100 of assessed value of real property, see Table 6 for other tax rates.

(2) Source, Real Estate Assessments from Commissioner of Revenue.

(3) Public Service Corporation property assessments performed by the State Corporation Commission.

Direct Property Tax Rates  
Last Ten Fiscal Years

Fiscal Year	Public Service		Machinery & Tools	Personal Property
	Real Estate	Personal Property		
2010	\$ .71/.77	\$ 3.60	\$ 3.60	\$ 3.60
2009	0.71	3.60	3.60	3.60
2008	0.74	3.60	3.60	3.60
2007	0.74	3.60	3.60	3.60
2006	0.74	3.60	3.60	3.60
2005	0.94	3.60	3.60	3.60
2004	0.95	3.60	3.60	3.60
2003	0.92	3.60	3.60	3.60
2002	0.87	3.60	3.60	3.60
2001	0.87	3.60	3.60	3.60

Notes:

Per \$100 of assessed value. There are no overlapping property tax rates with other governments.

County of Powhatan, Virginia

Table 9

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	General Obligation		State Literary Loans	Lease Revenue		Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
	Bonds			Bonds					
2001	\$ 8,442,550		\$ 5,412,542	\$ 6,434,542		\$ 3,669,289	\$ 23,958,923	0.114%	\$ 1,033
2002	21,140,820		33,978,722	-		728,663	55,848,205	0.049%	2,317
2003	47,445,986		4,595,446	21,443,335		1,461,285	74,946,052	0.037%	3,022
2004	43,360,527		4,197,723	12,259,941		-	59,818,191	0.048%	2,346
2005	43,745,776		3,800,000	20,377,109		1,077,715	69,000,600	0.050%	2,674
2006	48,486,201		3,450,000	20,099,639		1,055,500	73,091,340	0.048%	2,644
2007	46,633,870		10,600,000	42,305,093		856,720	100,395,683	0.036%	3,631
2008	44,858,237		10,250,000	41,590,388		653,611	97,352,236	0.038%	3,444
2009	49,399,293		2,500,000	40,792,193		443,340	93,134,826	0.039%	3,263
2010	47,771,891		2,250,000	44,165,599		225,618	94,413,108	0.039%	3,304

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

Ratio of General Bonded Debt Outstanding  
Last Ten Fiscal Years

General Bonded Debt Outstanding Governmental Activities					
Fiscal Year	Population*	Assessed Taxable Value (1)	Gross Bonded Debt (2)	Net Bonded Debt to Assessed Value	Per Capita
2001	23,200	\$ 1,318,167,035	\$ 13,855,092	1.05%	\$ 597
2002	24,100	1,373,710,455	40,021,891	2.91%	1,661
2003	24,800	1,679,994,530	52,041,432	3.10%	2,098
2004	25,500	1,789,932,048	47,558,250	2.66%	1,865
2005	25,800	1,928,153,945	45,530,112	2.36%	1,765
2006	26,574	3,330,307,014	43,341,201	1.30%	1,631
2007	27,649	3,362,265,960	48,743,561	1.45%	1,763
2008	28,478	4,056,324,522	46,831,807	1.15%	1,644
2009	28,545	4,081,736,390	43,846,097	1.07%	1,536
2010	28,573	4,056,324,522	42,196,458	1.04%	1,477

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

(1) Assessed taxable value is combination of real and other personal property per Table 7.

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

Excludes revenue bonds, capital leases and compensated absences.

\*See Demographic Statistics Table 11

**COUNTY OF POWHATAN, VIRGINIA**

**Table 11**

Demographic and Economic Statistics  
Last Ten Calendar Years

Year	Population	Registered Voters	Per Capita Personal Income	Median Household Income	School Enrollment	Unemployment Rate
2001	23,200	12,914	\$ 28,239	\$ 55,402	3,573	2.5%
2002	24,100	13,785	27,309	57,210	3,713	3.1%
2003	24,800	14,201	27,273	57,319	3,947	3.2%
2004	25,500	14,588	28,091	59,039	4,095	2.8%
2005	25,800	15,305	28,934	60,810	4,272	2.7%
2006	26,574	15,953	34,262	62,634	4,396	2.7%
2007	27,649	16,606	35,153	66,039	4,434	2.4%
2008	28,271	17,806	36,067	67,756	4,418	3.2%
2009	28,545	17,789	36,788	71,263	4,510	6.2%
2010	28,573	17,842	36,788	71,263	4,523	6.2%

County of Powhatan, Virginia

Table 12

Principal Employers  
Current and Nine Years Ago

Employer	2010*		2001	
	Employees	Percentage of Total County Employment**	Employees	Percentage of Total County Employment**
Anthem	1000+	n/a	n/a	n/a
Catholic Diocese of Richmond	50-99	n/a	n/a	n/a
Central Virginia Bank	50-99	n/a	n/a	n/a
Mid Atlantic Steel Erecto Inc.	50-99	n/a	n/a	n/a
YMCA	20-49	n/a	n/a	n/a
Gregg Management Company	20-49	n/a	n/a	n/a
Food Lion	20-49	n/a	n/a	n/a
Moslow Wood Products	20-49	n/a	n/a	n/a
Atwork Medical Services	20-49	n/a	n/a	n/a
TDU Concrete Inc.	20-49	n/a	n/a	n/a

Source: Virginia Employment Commission

\*Quarterly Census of Employment and Wages (QCEW)  
Data for 2010: 1st Quarter 2010

n/a - Information not available.

\*\*The Virginia Employment Commission is precluded from disclosing the actual number of employees per the Confidential Information Protection and Statistical Efficiency Act - Title V of Public Law 107-347.

## County of Powhatan, Virginia

Table 13  
Page 1 of 3Full-Time County Employees by Position  
Last Nine Fiscal Years

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
<u>Department</u>									
<u>County Administration</u>									
County Administrator	1	1	1	1	1	1	1	1	1
Executive Secretary	1	1	1	1	1	1	1	1	1
<u>Total County Administration</u>	2	2	2	2	2	2	2	2	2
<u>Finance</u>									
Finance Director	1	1	1	1	1	1	1	1	1
Fiscal Coordinator	-	-	1	1	1	1	1	1	1
Information Technology Specialist	1	1	1	1	1	1	2	2	2
GIS Coordinator	-	-	-	-	-	-	1	1	1
<u>Total Finance</u>	2	2	3	3	3	3	5	5	5
<u>Facilities Management</u>									
Facilities Assistant	-	-	1	1	1	1	1	1	1
General Services Supervisor	-	-	-	1	1	1	1	1	1
Maintenance Worker	-	1	1	1	1	2	2	2	2
<u>Total Facilities Management</u>	-	1	2	3	3	4	4	4	4
<u>Building Inspections</u>									
Building Official	1	1	1	1	1	1	1	1	1
Building Inspector	2	2	3	3	4	4	4	4	2
Secretary	1	1	1	1	1	1	1	1	1
Plans Reviewer	1	1	1	1	1	2	2	2	2
<u>Total Building Inspections</u>	5	5	6	6	7	8	8	8	6
<u>Commonwealth's Attorney</u>									
Commonwealth's Attorney	1	1	1	1	1	1	1	1	1
Deputy Commonwealth's Attorney	1	1	1	1	1	1	1	1	1
Administrative Assistant	1	1	1	1	1	1	1	1	1
<u>Total Commonwealth's Attorney</u>	3	3	3	3	3	3	3	3	3
<u>Commissioner of the Revenue</u>									
Commissioner of the Revenue	1	1	1	1	1	1	1	1	1
Chief Deputy Commissioner	1	1	1	1	1	1	1	1	1
Deputy COR II	2	2	2	2	2	2	2	2	2
Deputy COR III	3	3	3	3	3	3	3	3	3
<u>Total Commissioner of Revenue</u>	7	7	7	7	7	7	7	7	7
<u>Economic Development</u>									
Economic Development Director	1	1	1	1	1	1	1	1	1
<u>Total Economic Development</u>	1	1	1	1	1	1	1	1	1
<u>Fire Administration</u>									
Chief of Fire and Emergency Medical Services								1	1
Administrative Assistant	1	1	1	1	1	1	1	1	1
<u>Total Fire Administration</u>	1	1	1	1	1	1	1	2	2

## County of Powhatan, Virginia

Table 13  
Page 2 of 3Full-Time County Employees by Position  
Last Eight Fiscal Years

	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>
<u>Library</u>									
Library Director	1	1	1	1	1	1	1	1	1
Assistant	-	1	1	1	1	1	1	1	1
<u>Total Library</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
<u>Planning</u>									
Planning Director	1	1	1	1	1	1	1	1	1
Planner II	1	1	1	1	1	2	2	2	2
Planner I	1	1	1	1	1	-	1	1	1
Administrative Assistant	1	1	1	1	1	-	-	-	-
Office Manager	-	-	-	-	-	1	1	1	1
Zoning Administrator	1	1	1	1	1	1	1	1	1
Erosion and Sediment Control Inspe	-	-	-	-	-	-	1	1	1
<u>Total Planning</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>7</u>	<u>7</u>	<u>7</u>
<u>Registrar</u>									
Registrar	1	1	1	1	1	1	1	1	1
<u>Total Registrar</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
<u>Treasurer</u>									
Treasurer	1	1	1	1	1	1	1	1	1
Deputy Treasurer II	2	2	2	2	2	3	3	3	3
Deputy Treasurer III	2	2	2	2	2	2	2	2	2
Chief Deputy Treasurer	1	1	1	1	1	1	1	1	1
<u>Total Treasurer</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
<u>Comprehensive Services</u>									
Coordinator	1	1	1	1	1	1	1	1	1
<u>Total Comprehensive Services</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
<u>Clerk of the Circuit Court</u>									
Clerk of the Circuit Court	1	1	1	1	1	1	1	1	1
Deputy Clerk IV	1	1	1	1	1	1	1	1	1
Deputy Clerk	2	3	3	3	3	3	3	3	3
<u>Total Clerk of the Circuit Court</u>	<u>4</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
<u>Utilities</u>									
Utilities/General Services Director					1	1	1	1	1
Manager, WWTP	1	1	1	1	1	1	1	1	1
Utilities Engineer	-	-	-	-	-	-	1	1	1
WWTP Operator	1	1	2	2	2	3	3	3	3
<u>Total Utilities</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>6</u>	<u>6</u>
<u>Parks and Recreation</u>									
Parks and Recreation Director	-	-	-	-	-	-	-	1	2
<u>Total Parks and Recreation</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>2</u>

## County of Powhatan, Virginia

Table 13  
Page 3 of 3Full-Time County Employees by Position  
Last Eight Fiscal Years

	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>
<u>Sheriff</u>									
Office Manager	1	1	1	1	1	1	1	1	1
Administrative Assistant Court Serv	1	1	1	1	1	1	1	1	1
Sergeant	1	1	1	1	4	4	4	4	4
Lieutenant	1	1	1	1	1	1	1	1	1
Deputy	12	12	12	12	18	18	20	23	23
Corporal	4	4	4	4	4	4	4	4	4
Victim Witness	1	1	1	1	1	1	1	1	1
Chief Deputy	-	-	-	-	-	-	-	-	-
Undersheriff	1	1	1	1	1	1	1	1	1
IT Technician	-	-	-	-	-	1	1	1	1
Crime Analyst	1	1	1	1	1	1	1	1	1
Detective	2	2	2	2	2	2	2	2	2
Sheriff	1	1	1	1	1	1	1	1	1
Dispatcher	-	-	-	-	8	8	8	8	8
Dispatch Manager	-	-	-	-	1	1	1	1	1
Dispatch Supervisor	-	-	-	-	1	1	1	1	1
<u>Total Sheriff</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>45</u>	<u>46</u>	<u>48</u>	<u>51</u>	<u>51</u>
<u>Convenience Center</u>									
Supervisor	-	-	-	1	1	1	1	1	1
Attendant	2	2	2	2	2	2	2	2	2
<u>Total Transfer Station</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
<u>Animal Control</u>									
Sergeant-Animal Control	1	1	1	1	1	1	1	1	1
Deputy-Animal Control	2	2	2	2	2	2	2	2	2
Secretary	-	-	-	-	-	-	1	1	1
<u>Total Animal Control</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>4</u>	<u>4</u>	<u>4</u>
<u>Total Full-time Positions</u>	<u>72</u>	<u>75</u>	<u>79</u>	<u>81</u>	<u>102</u>	<u>107</u>	<u>115</u>	<u>120</u>	<u>118</u>
<u>Per 1,000 Population</u>	<u>3.22</u>	<u>3.23</u>	<u>3.28</u>	<u>3.27</u>	<u>4.00</u>	<u>4.07</u>	<u>4.28</u>	<u>4.47</u>	<u>2.42</u>

Source: Powhatan County Human Resources Department

County of Powhatan, Virginia

Table 14

Operating Indicators by Function  
Last Ten Fiscal Years (where available)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Public Safety										
Number of Fire Stations	5	5	5	5	5	5	5	5	5	5
Parks, Recreation & Cultural										
Park Facilities	1	1	1	1	1	1	1	1	1	
Library Facilities	1	1	1	1	1	1	1	1	1	1
Education										
Number of Schools	6	6	5	5	5	5	5	5	4	4
Number of County Government Positions	118	120	115	107	103	102	100	97	94	n/a

## *COMPLIANCE SECTION*

# ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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

To The Honorable Members of the Board of Supervisors  
County of Powhatan  
Powhatan, 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 Powhatan, Virginia, as of and for the year ended June 30, 2010, which collectively comprise the County of Powhatan, Virginia's basic financial statements and have issued our report thereon dated December 3, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

### Compliance and Other Matters

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

We noted other matters that we have reported to management of the County of Powhatan, Virginia, in a separate letter dated December 3, 2010.

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

*Robert J. Farmer, Cox Assn.*

Richmond, Virginia  
December 3, 2010

# ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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

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

### Compliance

We have audited County of Powhatan, Virginia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of County of Powhatan, Virginia's major federal programs for the year ended June 30, 2010. The County of Powhatan, 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 Powhatan, Virginia's management. Our responsibility is to express an opinion on the County of Powhatan, 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 Powhatan, Virginia's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County of Powhatan, Virginia's compliance with those requirements.

In our opinion, the County of Powhatan, Virginia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

### Internal Control Over Compliance

Management of the County of Powhatan, 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 Powhatan, Virginia's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Powhatan, Virginia's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a control deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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

Robert J. Cox

Richmond, Virginia  
December 3, 2010

COUNTY OF POWHATAN, VIRGINIA

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2009

Federal Grantor/State Pass - Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Direct Payments:			
Community services block grant	93.569		\$ 32,063
Community services block grant - ARRA	93.710		95,146
Pass Through Payments:			
Department of Social Services:			
Promoting safe and stable families	93.556	0950109/0950110	15,016
Temporary Assistance for Needy Families	93.558	0400109/0400110	96,578
Refugee and entrant assistance - state administered programs	93.566	0500109/0500110	380
Low-Income Home Energy Assistance	93.568	0600409/00600410	3,942
Child care and development block grant	93.575	0770109/0770110	64,959
Child care mandatory and matching funds of the child care development fund	93.596	0760109/0760110	41,739
Chafee education and training vouchers program (ETV)	93.599	9160108/9160109	
Child welfare services - state grants	93.645	0900109/090110	344
Foster Care - Title IV-E	93.658	1100109/1100110	143,674
Foster Care - Title IV-E - ARRA	93.658	1100109/1100110	12,385
Adoption assistance	93.659	1120109/11201110	13,832
Adoption assistance - ARRA	93.659	1120109/11201110	1,170
Social services block grant	93.667	1000109/1000110	38,601
Chafee foster care independence program	93.674	9150109/9150110	899
Child care and development block grant - ARRA	93.713	0740109/0780109	20,588
Children's health insurance program	93.767	0540109/0540110	6,889
Medical assistance program	93.778	1200109/1200110	93,137
Total Department of Health and Human Services			\$ 681,342
Department of Agriculture:			
Pass Through Payments:			
Department of Agriculture:			
Food Distribution--School	10.555	17901-45707	\$ 52,296
Department of Education:			
School breakfast program	10.553	17901-40591	47,034
National school lunch program	10.555	17901-40623	309,762
Department of Social Services:			
State administrative matching grants for the supplemental nutrition assistance program	10.561	0010109/0010100	157,412
State administrative matching grants for the supplemental nutrition assistance program - ARRA	10.561	0040109/0040110	2,936
Total Department of Agriculture			\$ 569,440

COUNTY OF POWHATAN, VIRGINIA

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

Federal Grantor/State Pass - Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Justice:			
Direct payments:			
Assistance to rural law enforcement to combat crime and drugs competitive grant program - ARRA	16.810		\$ 61,130
State victim assistance formula grant program	16.801		<u>19,918</u>
Pass Through Payments:			
Compensation Board:			
Edward Byrne memorial justice assistance grant - ARRA	16.803	30,712	57,087
Department of Criminal Justice Service:			
Edward Byrne memorial justice assistance grant	16.803	39001-62200	978
Violence against women formula grants - ARRA	16.588	39001-62100	<u>16,515</u>
Total Department of Justice			\$ <u>155,628</u>
Department of Homeland Security:			
Pass Through Payments:			
Department of Emergency Assistance:			
Emergency management performance grants	97.042	77501-52749	\$ 5,000
State homeland security program	97.073	77501-52708	25,550
Emergency operations centers	97.052	77501-52889	<u>3,562</u>
Total Department of Homeland Security			\$ <u>34,112</u>
Department of Transportation:			
Pass Through Payments:			
Department of Motor Vehicles:			
Alcohol open container requirements	20.607	60507-50233/59273	\$ <u>19,265</u>
Department of Defense:			
Direct Payments:			
ROTC	12.xxx		\$ <u>66,626</u>
Department of Education:			
Pass Through Payments:			
Department of Education:			
Title I grants to local educational agencies	84.010	17901-42901	\$ 290,303
Title I grants to local educational agencies - ARRA	84.389	17901-42913	91,365
Special education-grants to states	84.027	17901-43071	438,425
Special education-grants to states - ARRA	84.391	17901-61245	478,874
Career and technical education -- basic grants to states	84.048	17901-61095	63,144
Special education - preschool grants	84.173	17901-62521	43,416
Safe and drug-free schools and communities-state grants	84.186	17901-60511	12,581
Education technology state grants	84.318	17901-61600	7,527
Education technology state grants - ARRA	84.386	17901-60897	3,430
English language acquisition grants	84.365	17901-60512	18,444
State fiscal stabilization fund-education state grants, ARRA	84.394	17901-61245	2,350,392
Improving teacher quality state grants	84.367	17901-61480	<u>84,322</u>
Total Department of Education			\$ <u>3,882,223</u>
Total Expenditure of Federal Awards			\$ <u>5,408,636</u>

See accompanying notes to schedule of expenditure of federal awards.

## COUNTY OF POWHATAN, VIRGINIA

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

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#### Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the County of Powhatan, Virginia under programs of the federal government for the year ended June 30, 2010. The information in this Schedule is presented in accordance with the requirements of the OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the County of Powhatan, Virginia, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County of Powhatan, Virginia.

#### Note B - Summary of Significant Accounting Policies

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

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

#### Note C - Relationship to Financial Statements

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

#### Intergovernmental federal revenues per the basic financial statements:

##### Primary government:

General Fund	\$ 920,145
Special Revenue Funds:	
Grants fund	130,550
Total primary government	\$ 1,050,695

##### Component Unit Public Schools:

School Operating Fund	\$ 3,948,849
School Cafeteria Fund	409,092
Total component unit public schools	\$ 4,357,941

Total federal expenditures per basic financial statements	\$ 5,408,636
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Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ 5,408,636
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County of Powhatan, Virginia  
Schedule of Findings and Questioned Costs  
For the year ended June 30, 2010

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**Section I-Summary of Auditors' Results**

**Financial Statements**

Type of auditor's report issued: unqualified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ yes ✓ no

Significant deficiency(ies) identified? \_\_\_\_\_ yes ✓ none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes ✓ no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ yes ✓ no

Significant deficiency(ies) identified? \_\_\_\_\_ yes ✓ none reported

Type of auditor's report issued on compliance  
for major programs: unqualified

Any findings disclosed that are required to be  
reported in accordance with section 510(a) of  
Circular A-133? \_\_\_\_\_ yes ✓ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.394	State Fiscal Stabilization Fund, Education
	State Grants, ARRA
10.553/10.555	Child Nutrition Cluster
84.027/84.391/84.173	Special Education Cluster
84.010/84.389	Title I, Part A Cluster
93.658	Foster Care

Dollar threshold used to distinguish between type A  
and type B programs: \$300,000

Auditee qualified as low-risk auditee? ✓ yes \_\_\_\_\_ no

**Section II-Financial Statement Findings**

None

**Section III-Federal Award Findings and Questioned Costs**

None

**COUNTY OF POWHATAN, VIRGINIA**

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

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There were no prior year audit findings.